

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Monroe County		County Monroe	
Audit Date December 31, 2005		Opinion Date March 16, 2006		Date Accountant Report Submitted to State: June 14, 2006	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

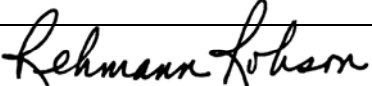
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	X		
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).	X		

Certified Public Accountant (Firm Name) REHMANN ROBSON GERALD J. DESLOOVER, CPA				
Street Address 5800 GRATIOT, PO BOX 2025		City SAGINAW	State MI	Zip 48605
Accountant Signature 				



COUNTY OF MONROE,
MICHIGAN

Comprehensive Annual Financial Report

For Year Ended
December 31, 2005

Prepared By:
Monroe County Finance Department

COUNTY OF MONROE, MICHIGAN



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR YEAR ENDED
DECEMBER 31, 2005

PREPARED BY:

MONROE COUNTY FINANCE DEPARTMENT
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CHARLES A. LONDO
MONROE COUNTY ADMINISTRATOR / CHIEF FINANCIAL OFFICER

CAROLYN F. CRON
MONROE COUNTY FINANCE DIRECTOR

SUSAN MAIER
MONROE COUNTY ASSISTANT FINANCE DIRECTOR

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INTRODUCTORY SECTION



Charles A. Londo

Monroe County Administrator/Chief Financial Officer

125 East Second Street • Monroe, Michigan 48161-2197

Telephone: 734.240.7016 • Fax: 734.240.7266 • E-Mail: charles_londo@monroemi.org

March 16, 2006

To the Citizens of the
County of Monroe, Michigan:

The Comprehensive Annual Financial Report of the County of Monroe, Michigan, for the year ended December 31, 2005 is submitted herewith. The County of Monroe Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds; and that the disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial, and statistical.

The introductory section includes this transmittal letter, the County's organizational chart and a list of principal officials. The financial section includes management's discussion and analysis, the basic financial statements, fund financial statements, notes to the financial statements, and required supplementary information as well as the auditors' report on the financial statements. The statistical section includes at a minimum the required Government Finance Officers Association (GFOA) financial and demographic information, generally presented on a multi-year basis.

The County is required to undergo an annual single audit in conformance with the provisions of the Single Audit Act, and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, a schedule of findings and questioned costs, and independent auditor's reports on internal control and compliance with applicable laws and regulations, are included in a separately issued single audit report.

This report includes all funds of the County and its component units as defined in Government Accounting Standards Board (GASB) No. 14, *The Financial Reporting Entity*, as discussed below. The County provides many services to County residents including the administration of the Courts, Sheriff Road Patrol services in the unincorporated jurisdictions of the County, the constitutional offices of the County Clerk, Treasurer, Sheriff and Prosecutor and the statutory office of the Drain Commissioner. In addition, the County supports many other programs such as the emergency management disaster plans, health services, and services to older citizens. The County also supports cultural and recreational services such as the MSU Cooperative Extension Services, Library System, and Parks and Recreation Services.

GASB Statement No. 14 sets forth criteria for including/excluding certain related entities in the County's financial statements. The Monroe County Building Authority functions for all practical purposes as a department of the County and is presented as a blended component unit. Monroe County Road Commission, Community Mental Health Authority, Monroe County Library System, Monroe County Drain Commission, and County Agency are presented as discrete component units in the financial statements. Due to the separate legal nature of these entities, they have been reported in the financial statements as component units of the County's financial reporting entity.

The requirements of GASB Statement No. 34 were addressed and implemented in 2002. Presentation of the government-wide statement of net assets, statement of activities, management's discussion and analysis, and governmental capital assets are all addressed in this report.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Monroe's MD&A can be found immediately following the report of the independent auditors.

ECONOMIC CONDITION AND OUTLOOK

Monroe County had an overall unemployment rate in 2005 of 6.1 percent, lower than the State of Michigan at 6.8 percent and compared to 5.1 percent for the nation. A trend of generally declining unemployment in the County had been observed since the early '80s, when double-digit rates were prevalent. Unemployment rates slightly higher than those seen in previous years began to emerge in the early months of 2001, reflecting a nationwide economic downturn. While the nation's unemployment rates have started to drop once again, the unemployment rate remains high for Monroe County and the State of Michigan as a whole. Following is a summary of some recent developmental activity in the County.

BUILDING ACTIVITIES

Local governments administer building permits. The Monroe County Planning Department, using building permit data, continuously compiles countywide records of building activities. These figures can be viewed as an indicator of economic health. The number of new residential living units had remained fairly steady in the 1990's, generally ranging in the mid 700s. For 2005, residential development totaled 887 living units.

The value of new commercial units in 2005 was \$38,728,648 for 39 building permits. The number of new industrial units has fallen in recent years, averaging 6 permits annually from 1999 to 2005. This is quite different from the 90's where the County averaged 16 permits annually, with highs of 28 and 24 permits in 1995 and 1997, respectively. In 2005, 12 permits were issued for a value of \$16,603,109.

INDUSTRIAL

Monroe County's location in the Detroit, Michigan-Toledo, Ohio industrial area, its access to transportation and locally generated electrical power, and a strong labor force, offer unique advantages in bringing in new industry. The Monroe County Industrial Development Corporation (MCIDC) is on the job, seeking to bring in new industry, and to retain and encourage expansion of existing companies. The MCIDC catalogs numerous industrial sites throughout the County, which can be marketed to companies seeking to locate or expand here. The County has several industrial parks and other sites appropriate for industrial development. Bedford Township and Frenchtown Charter Township have Class A certified parks. The City of Monroe has brought a number of industries into its industrial park in recent years, and the Village of Dundee has been particularly aggressive in bringing in new industry to its growing industrial park.

The MCIDC summary of economic development for 2005 showed an investment of \$270,290,514 by 16 companies.

COMMERCIAL/RETAIL

Cabela's of Sydney, Nebraska, the World's Foremost Outfitter, is still drawing additional development to the environs around its U.S. 23/M-50 location in Dundee. Eight new developments account for an additional \$16 million. This rapid development has prompted the Village of Dundee to initiate a number of major infrastructure improvements.

The Monroe urban area has also experienced substantial commercial development in 2005. The urban area as a whole provided twenty permits for \$19.8 million. The City of Monroe had ten permits for \$11.6 million, Frenchtown Charter Township had eight of these permits for \$7 million and Monroe Charter Township had two permits for \$1.2 million.

The Monroe County Chamber of Commerce, the City of Monroe, the Downtown Development Authority (DDA), and the Downtown Business Network all work together to improve the Monroe downtown area. The DDA has contracted with an economic development firm to conduct a Retail Market Analysis for the downtown. Other efforts have included an ongoing streetscape project, grant programs to assist property owners with improvements, and various promotional activities.

RESIDENTIAL

New single-family housing construction is a significant barometer of economic prosperity. In 2005, single-family home permits in Monroe County declined from last year's total of 910 units with 761. These new housing starts amounted to more than \$125 million. Permits were issued for 126 units within multiple-family structures, and the dollar value for all residential construction reached over \$136 million, exceeding \$100 million for the fifth time. Roughly 50% of those permits were issued in the Monroe and Bedford areas.

The County's communities in 2005 also issued 2,360 permits totaling \$24.3 million for alterations, additions, and accessory buildings, of which 1,689 permits for \$11.1 million made improvements to the existing housing stock. The County also has an approved Strategic Housing Plan and a Housing Commission, which, in conjunction with the Monroe County Opportunity Program, oversees implementation of the Plan, and administers local housing programs.

MAJOR INITIATIVES

As the County plans for the future, many new initiatives are being undertaken. The County is investing in technology improvements, including continuing upgrades to computer systems and software, and also continuing to upgrade web page design and applications. Other initiatives include improved security of the Courthouse. The County Board of Commissioners also appropriated \$780,250 for the County Self-Help Road and Bridge Program, a partnership with the Monroe County Road Commission and local communities for infrastructure needs.

In addition, the County is nearing final completion of a new public safety radio communications system for all county first responders. The \$9 million project includes equipment and infrastructure. A new 911-Emergency operations center is scheduled for completion in 2007 that will house the county-wide emergency dispatch center and the county emergency management division. The \$3.5 million project is in the final design phase.

MANAGEMENT

The Board of Commissioners has the primary responsibility for establishing policy for the County operations. The State of Michigan Constitution divides the administration duties of the County among various elected officials and the County Administrator/Chief Financial Officer. The general administration of all non-elected departments and agencies fall under the County Administrator/Chief Financial Officer.

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that financial statements are in conformity with generally accepted accounting principles. The internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

SINGLE AUDIT

As a recipient of federal financial assistance, the County is responsible for ensuring that adequate internal control is in place to achieve compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and the independent auditors of the County.

As part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the year ended December 31, 2005, are contained in a separately issued single audit report.

BUDGETING CONTROL

The County maintains budgetary control with the objective to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of the general and special revenue funds are included in the annual appropriation budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level within an individual fund. The County also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at December 31, 2005 do not lapse, but are set aside within the fund balance and brought forward to the new fiscal year.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues meeting its responsibility for sound financial management.

OTHER INFORMATION

INDEPENDENT AUDIT

The Michigan Uniform Accounting and Budgeting Act requires an annual audit by independent certified public accountants. Rehmann Robson, Certified Public Accountants, Jackson, Michigan, was selected by the Monroe County Board of Commissioners. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act and related OMB Circular A-133. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in a separately issued single audit report.

ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Monroe, Michigan, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2005. This was the third consecutive year, and seventh out of the past eight years, that the County has achieved this prestigious award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Appreciation is extended to the Board of Commissioners and the various employees throughout the County responsible for financial management and reporting. In particular, I would like to acknowledge the special efforts of the Finance Department employees, primarily Carolyn Cron, Finance Director and Susan Maier, Assistant Finance Director, who participated directly and indirectly in the development of this report.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Charles A. Londo". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Charles A. Londo
Administrator/Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Monroe,
Michigan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Carla E. Fudge

President

Jeffrey R. Enen

Executive Director

**Monroe County Board of Commissioners
at December 31, 2005**

Jerry Oley, Chairman
District 6

Thomas Mell, Vice-Chairman
District 3

Members

Henry Lievens
District 1

Dale W. Zorn
District 2

Floreine M. Mentel
District 4

William Sisk
District 5

N. Randy Ansel
District 7

James Goebel
District 8

David R. Scott
District 9

Circuit, Probate and First District Court Judges

Circuit Court

Hon. Michael W. LaBeau
Hon. Joseph A. Costello
Hon. Michael A. Weipert

District Court

Hon. Terrence Bronson
Hon. Mark S. Braunlich
Hon. Jack Vitale

Probate Court

Hon. Pamela A. Moska
Hon. John A. Hohman, Jr.

Other Elected Officials

Geraldine Allen
County Clerk/Register

Kay Sisung
County Treasurer

William P. Nichols
Prosecuting Attorney

Tilman Crutchfield
Sheriff

Daniel W. Stefanski
Drain Commissioner

2005 Monroe County Population: 152,256

2005 State Equalized Value: \$6,918,045,765

FINANCIAL SECTION



REHMANN ROBSON

Certified Public Accountants

A member of THE REHMANN GROUP



INDEPENDENT AUDITORS' REPORT

March 16, 2006

To the Board of Commissioners
of Monroe County
Monroe, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the **COUNTY OF MONROE, MICHIGAN**, as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Monroe's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency that collectively represent 89.2% of the assets and 94.2% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Monroe County Road Commission and Monroe County Library were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Monroe, Michigan***, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2006, on our consideration of the ***County of Monroe, Michigan's*** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 13-23 and historical pension information on page 87 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Monroe's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based upon our audit and the reports of other auditors, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, reading "Lehmann Johnson". The signature is written in a cursive, flowing style.

**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**

Management's Discussion and Analysis

As management of the County of Monroe, Michigan, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the accompanying basic financial statements.

Financial Highlights

- The assets of the County of Monroe primary government exceeded its liabilities at the close of the most recent fiscal year by \$66,919,539 (*net assets*). Of this amount, \$41,146,510 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$8,073,675. This increase was largely due to growth in property tax revenue related to the accelerated tax levy established to fund the reduction in state shared revenues and increased investment earnings.
- As of the close of the current fiscal year, the County of Monroe's governmental funds reported combined ending fund balances of \$36,416,929, an increase of \$6,242,966 in comparison with the prior year. Approximately 86 percent of this total amount, \$31,284,151, is available for spending at the government's discretion (*unreserved, undesignated fund balance*).
- At the end of the current fiscal year, unreserved, undesignated fund balance for the general fund was \$8,634,642 or 19.6 percent of total general fund expenditures and transfers out.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County of Monroe's basic financial statements. These statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County of Monroe's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County of Monroe's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County of Monroe is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County of Monroe that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). *Governmental activities* include general government, public safety, public works, health and welfare, community and economic development, and recreation and culture. *Business-type activities* include delinquent tax collections, equipment rental, a revolving loan program, printing, engineering and operation of an inmate commissary.

The County also includes legally separate entities (component units) for which the County is financially accountable. The *component units* include the Monroe County Community Mental Health Authority, the Monroe County Library System, the Monroe County Drain Commission, the Monroe County Drain Commissioner County Agency, and the Monroe County Road Commission. Financial information for these component units is reported separately from the financial information presented for the primary government. The Monroe County Building Authority, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government as a blended component unit in the County's governmental activities.

Fund Financial Statements. A fund is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Monroe, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County of Monroe can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *government funds* and *governmental activities*.

The County of Monroe maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, county health fund, revenue sharing reserve fund and senior citizen fund, each of which is considered to be a major fund. Data for the remaining governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Proprietary funds. The County maintains two different types of proprietary funds: enterprise and internal service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its delinquent tax, equipment rental, revolving loan, printing, engineering, and inmate commissary operations. *Internal service funds* are used to accumulate and allocate costs internally among the County's various functions. The various support services that are accounted for using internal service funds include phone, self-insurance, and office equipment replacement. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only with more detail. The proprietary fund financial statements provide separate information for the delinquent tax revolving fund. Data for the remaining enterprise funds is combined into a single aggregated presentation. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the County of Monroe's progress in funding its obligation to provide pension benefits to its employees.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

The government-wide financial analysis focuses on the net assets and changes in net assets of the governmental and business-type activities. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. As the following table demonstrates, the County's assets exceeded its liabilities by \$66,919,539 at December 31, 2005.

MONROE COUNTY NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current and other assets	\$ 55,778,853	\$ 66,632,374	\$ 8,457,111	\$ 6,728,088	\$ 64,235,964	\$ 73,360,462
Capital assets, net	<u>30,031,075</u>	<u>30,866,921</u>	<u>31,393</u>	<u>48,833</u>	<u>30,062,468</u>	<u>30,915,754</u>
Total assets	<u>85,809,928</u>	<u>97,499,295</u>	<u>8,488,504</u>	<u>6,776,921</u>	<u>94,298,432</u>	<u>104,276,216</u>
Liabilities						
Long-term liabilities	10,993,217	13,130,179	-	-	10,993,217	13,130,179
Other liabilities	<u>16,360,471</u>	<u>32,196,359</u>	<u>25,205</u>	<u>38,746</u>	<u>16,385,676</u>	<u>32,235,105</u>
Total liabilities	<u>27,353,688</u>	<u>45,326,538</u>	<u>25,205</u>	<u>38,746</u>	<u>27,378,893</u>	<u>45,365,284</u>
Net assets						
Invested in capital assets, net of related debt	20,584,332	19,321,982	31,393	48,833	20,615,725	19,370,815
Restricted	5,157,304	5,742,120	-	-	5,157,304	5,742,120
Unrestricted	<u>32,714,604</u>	<u>27,108,655</u>	<u>8,431,906</u>	<u>6,689,342</u>	<u>41,146,510</u>	<u>33,797,997</u>
Total net assets	<u>\$ 58,456,240</u>	<u>\$ 52,172,757</u>	<u>\$ 8,463,299</u>	<u>\$ 6,738,175</u>	<u>\$ 66,919,539</u>	<u>\$ 58,910,932</u>

The largest portion of the County's net assets, \$41,146,510 (61 percent), represents *unrestricted net assets* that may be used to meet the County's ongoing obligations to citizens and creditors.

An additional portion of the County's net assets, \$20,615,725 (31 percent), reflects its investment in capital assets (i.e., land, buildings, vehicles, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$5,157,304 (8 percent) represents resources that are subject to external restrictions on how they may be used.

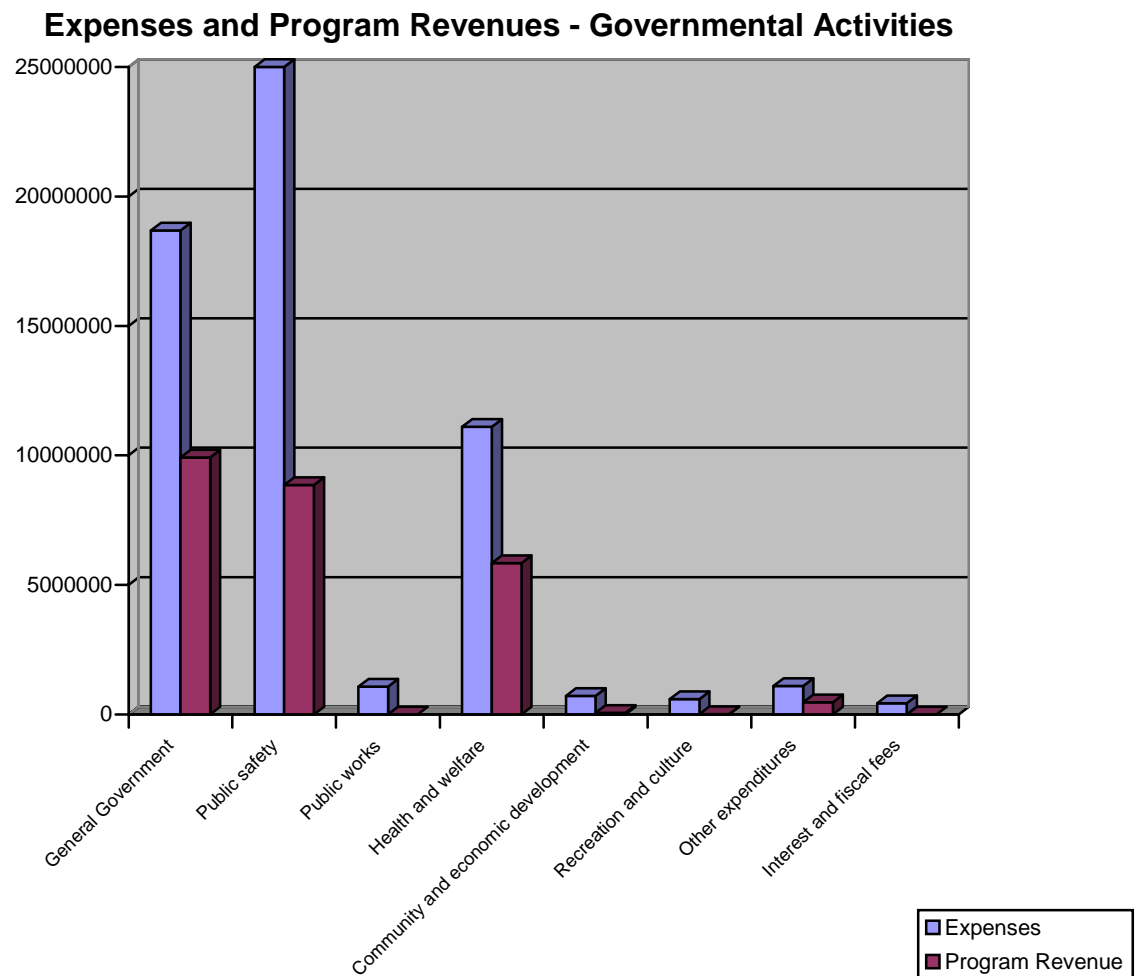
At the end of the current fiscal year, the County is able to report positive balances in all three categories (invested in capital assets-net of related debt, restricted and unrestricted) of net assets, both for the primary government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

MONROE COUNTY CHANGES IN NET ASSETS

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues						
Program revenues:						
Charges for services	\$ 10,183,433	\$ 9,368,375	\$ 1,918,707	\$ 1,635,505	\$ 12,102,140	\$ 11,003,880
Operating grants and contributions	14,982,978	16,235,565	-	-	14,982,978	16,235,565
Capital grants and contributions	-	5,965,098	-	-	-	5,965,098
General revenues:						
Property taxes	38,059,005	36,717,917	-	-	38,059,005	36,717,917
Grants and contributions not restricted to specific programs	3,267,087	2,592,308	-	-	3,367,087	2,592,308
Unrestricted interest and other revenue	<u>1,077,198</u>	<u>1,179,739</u>	<u>40,945</u>	<u>7,566</u>	<u>1,118,143</u>	<u>1,187,305</u>
Total revenues	<u>67,669,701</u>	<u>72,059,002</u>	<u>1,959,652</u>	<u>1,643,071</u>	<u>69,629,353</u>	<u>73,702,073</u>
Expenses						
General government	18,692,546	17,781,908	-	-	18,692,546	17,781,908
Public safety	27,191,465	27,174,720	-	-	27,191,465	27,174,720
Public works	1,076,479	638,423	-	-	1,076,479	638,423
Health and welfare	11,104,236	11,166,659	-	-	11,104,236	11,166,659
Community and economic development	721,829	832,725	-	-	721,829	832,725
Recreation and culture	593,013	559,637	-	-	593,013	559,637
Other expenditure	1,098,830	1,109,005	-	-	1,098,830	1,109,005
Interest on long-term debt	435,690	470,727	-	-	435,690	470,727
Equipment rental	-	-	102,933	270,452	102,933	270,452
Printing	-	-	227,821	165,297	227,821	165,297
Engineering	-	-	161,890	98,410	161,890	98,410
Inmate commissary	-	-	38,792	37,046	38,792	37,046
Revolving loan	-	-	11,086	-	11,086	-
Total expenses	<u>60,914,088</u>	<u>59,733,804</u>	<u>641,590</u>	<u>571,205</u>	<u>61,555,678</u>	<u>60,305,009</u>
Change in net assets before transfers	6,755,613	12,325,198	1,318,064	1,071,866	8,073,677	13,397,064
Transfers	<u>1,145,000</u>	<u>1,130,883</u>	<u>(1,145,000)</u>	<u>(1,130,883)</u>	<u>-</u>	<u>-</u>
Change in net assets	7,900,613	13,456,081	173,062	(59,017)	8,073,675	13,397,064
Net assets, beginning of year, as restated	<u>50,555,627</u>	<u>37,099,546</u>	<u>8,290,237</u>	<u>8,349,254</u>	<u>58,845,864</u>	<u>45,448,800</u>
Net assets, end of year	<u><u>\$ 58,456,240</u></u>	<u><u>\$ 50,555,627</u></u>	<u><u>\$ 8,463,299</u></u>	<u><u>\$ 8,290,237</u></u>	<u><u>\$ 66,919,539</u></u>	<u><u>\$ 58,845,864</u></u>

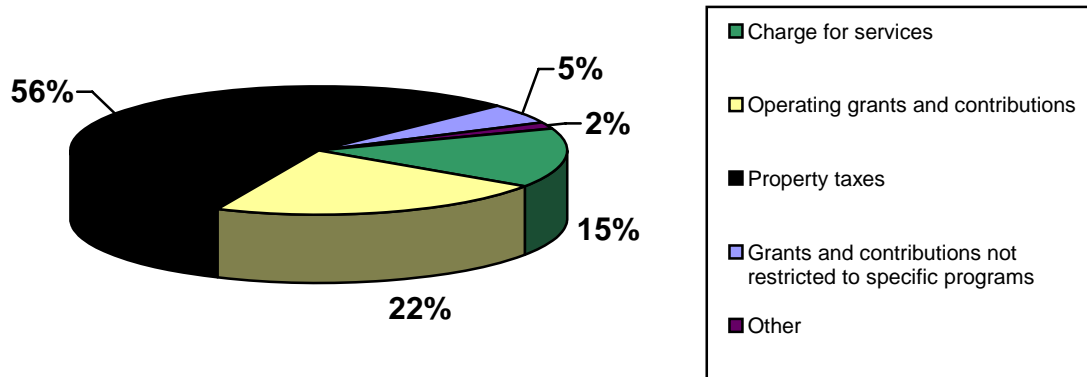
The County's net assets increased by \$8,073,675 during the current fiscal year. \$7,900,613 of the increase occurred in governmental activities and was attributable to growth in property taxes, including a nearly \$1.3 million increase related to the accelerated tax levy established to fund the reduction in state shared revenues. Other significant factors included solid waste program fees that exceeded expenditures by approximately \$300,000 (these funds are restricted for future solid waste projects) and a decrease of nearly \$6 million in capital grants due to the interoperable communications equipment project which was earned in 2004.

Governmental activities. Governmental activities increased the County's net assets by \$7,900,613, accounting for 98 percent of the total growth in the net assets of the County. As previously mentioned, the major reasons for this increase were related to increased property tax collections for both the current year and the accelerated tax levy, as well as solid waste fee increases.



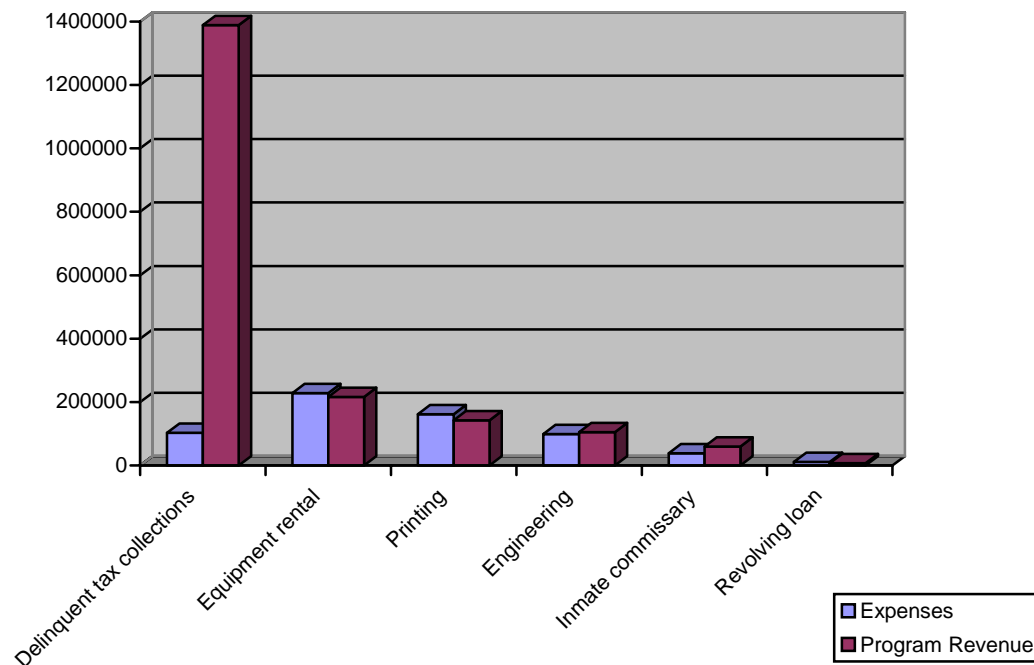
The governmental activity expenditures increase in 2005 is primarily in the general government area and is related to increases in wages and related fringe benefits.

Revenue by Source - Governmental Activities



Business-type activities. Business type activities increased the County's net assets by \$173,062, accounting for 2 percent of the total growth in the government's net assets for the current year. Transfers out made by the Delinquent Tax Revolving Fund were less than income available before transfers by \$182,240, accounting for the majority of this increase. Other significant factors include an approximately \$200,000 increase due to new activity related to property tax foreclosures in the Delinquent Tax Revolving Fund and an approximately \$25,000 decrease related to a reduction in local unit contributions in the Equipment Rental Fund.

Expenses and Program Revenues - Business-type Activities



Financial Analysis of the County's Funds

As noted earlier, the County of Monroe uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unreserved* fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$36,416,929, an increase of \$6,242,966 when compared with the prior year. This was primarily due to unspent revenue sharing reserve fund tax collections. Of the fund balance amount, \$31,284,151 constitutes *unreserved, undesignated fund balance*, which is available for spending at the government's discretion.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$8,634,642, with a total fund balance of \$9,755,924. Unreserved, undesignated fund balance represents approximately 19.6 percent of total general fund expenditures and transfers out. The fund balance of the County's general fund increased by \$132,926 during the current fiscal year. This is primarily attributable to increases in property taxes and investment income.

The county health fund had a total fund balance of \$1,957,586, with \$1,079,566 reserved for specific programs, \$720 reserved for prepaid items and \$1,631 reserved for encumbrances.

The revenue sharing reserve fund had a total fund balance of \$12,687,885 and the senior citizen fund had a total fund balance of \$380,535.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise and internal service funds at year-end amounted to \$8,463,299, and \$3,249,572, respectively. The enterprise funds had an increase in net assets for the year of \$173,062, and the internal service funds had an increase of \$340,374.

General Fund Budgetary Highlights

Differences between the original and final amended budgets for expenditures resulted in a 1.7 percent increase (an increase in appropriations of approximately \$64,000), primarily from increases in budgeted capital outlay and decreases in the contingency budget. Budgeted transfers out increased from the original to final amended budgets by approximately \$682,000.

Overall during the year, general fund revenues were below the budgetary estimates. The areas of greatest variance include intergovernmental revenues, property taxes, and interest and rents.

Specifically, homeland security grants and housing grants that were budgeted to be completed during the year were only partially completed. There were corresponding decreases in Public Safety and Community and Economic Development actual expenditures compared to budget. Property taxes were less than the budgeted amount primarily due to changes/adjustments in the original property tax levy that the budget was based on. Interest and rents increased due to improved investment return rates compared to rates used to estimate the budgeted interest and rents revenue.

Expenditures were less than budgetary estimates overall and for each of the major classifications. Specifically, actual personnel costs (salaries, wages and fringes) were less than budgeted amounts in most general fund departments due to budgeted positions that were not filled, as well as a reduction in costs for services and supplies for those programs and activities. In addition, actual expenditures for capital outlay items were under the amended budget amounts by over \$847,000, the majority of this difference being due to budgeted technology projects that were not completed during the year.

Overall during the year, actual general fund revenues and expenditures, including other financing sources and uses resulted in an actual increase in fund balance of \$132,926 compared to a final budgeted decrease of \$634,013.

Capital Asset and Debt Administration

Capital assets. The County's capital assets (net of accumulated depreciation) for its governmental activities as of December 31, 2005, amounted to \$30,031,075. These capital assets include land and land improvements, buildings and improvements, machinery and equipment and vehicular equipment. The total decrease in the County's capital assets for the current fiscal year was approximately 3 percent.

Major capital asset events during the current fiscal year included the following:

- Over \$900,000 in capital improvements to the County's central dispatch systems.
- Over \$328,000 in Sheriff's Department additions, including several patrol vehicles.
- Over \$372,000 in computer equipment related purchases for general governmental operations.

County of Monroe's Capital Assets
(net of depreciation)

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Land and improvements	\$ 297,927	\$ 328,890
Construction in progress	-	660,528
Buildings and improvements	19,318,512	20,563,628
Machinery and equipment	9,721,902	8,547,884
Vehicular equipment	<u>692,734</u>	<u>765,991</u>
Total	<u>\$ 30,031,075</u>	<u>\$ 30,866,921</u>

Additional information on the County's capital assets can be found in Note G of this report.

Long-term debt. Debt is classified as long-term if it matures over a period greater than one year. At the end of the current fiscal year, the County had total general obligation debt outstanding of \$ 9,446,743.

County of Monroe's Outstanding Debt
General Obligation

	Governmental Activities		Business- type Activities		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General obligation bonds	\$ 7,095,000	\$ 8,575,000	\$ -	\$ -	\$ 7,095,000	\$ 8,575,000
Installment loan	<u>2,351,743</u>	<u>2,969,939</u>	<u>-</u>	<u>-</u>	<u>2,351,743</u>	<u>2,969,939</u>
Total	<u>\$ 9,446,743</u>	<u>\$ 11,544,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,446,743</u>	<u>\$ 11,544,939</u>

The County's total debt decreased by \$2,098,195 (18.2 percent) during the current fiscal year.

The County has an "AA-" rating for general obligation bonds from Standard & Poor's and a A1 rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation (State Equalized Value). The current debt limitation for the County is \$691,804,577, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt can be found in Note H of this report.

Economic Factors and Next Year's Budgets and Rates

The following factors were considered in preparing the County's 2006 budget:

- Property tax revenues are projected to increase 4.4 percent in 2006.
- Inflationary trends in the region compare favorably to national indices.

During the current fiscal year, unreserved, undesignated fund balance in the general fund increased to \$8,634,642. The general rule of thumb is that fund balances can be used to help government weather bad times, but should not be used as a means of funding routine operations. In the 2006 budget, the County plans to use \$221,845 of the fund balance carried forward in the general fund.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances to all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Chief Financial Officer, County of Monroe Finance Department, 125 East Second Street, Monroe, Michigan 48161.

**BASIC
FINANCIAL
STATEMENTS**

COUNTY OF MONROE, MICHIGAN
Statement of Net Assets
December 31, 2005

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 20,457,604	\$ 2,616,234	\$ 23,073,838	\$ 18,226,951
Investments	10,112,123	350,000	10,462,123	-
Receivables, net	24,443,392	3,936,751	28,380,143	69,155,690
Due from component units	-	44,862	44,862	-
Prepaid items and other assets	16,073	-	16,073	1,213,850
Restricted assets - cash and cash equivalents	149,661	-	149,661	15,843,790
Loans receivable	-	1,509,264	1,509,264	-
Advance to component unit	600,000	-	600,000	-
Capital assets not being depreciated	105,000	-	105,000	23,460,024
Capital assets being depreciated, net	29,926,075	31,393	29,957,468	124,252,505
<hr/>				
<u>TOTAL ASSETS</u>	\$ 85,809,928	\$ 8,488,504	\$ 94,298,432	\$ 252,152,810
<hr/>				
<u>LIABILITIES AND</u>				
<u>NET ASSETS</u>				
Liabilities				
Accounts payable and accrued expenses	\$ 3,384,055	\$ 25,205	\$ 3,409,260	\$ 7,218,600
Due to primary government	-	-	-	44,862
Unearned revenue	13,216,665	-	13,216,665	7,647,995
Noncurrent liabilities:				
Compensated absences due within one year	1,306,225	-	1,306,225	440,352
Compensated absences due beyond one year	-	-	-	695,153
Advance from primary government	-	-	-	600,000
Long-term debt due within one year	1,951,344	-	1,951,344	5,249,697
Long-term debt due beyond one year	7,495,399	-	7,495,399	58,332,307
<hr/>				
Total liabilities	27,353,688	25,205	27,378,893	80,228,966
<hr/>				
Net assets				
Invested in capital assets, net of related debt	20,584,332	31,393	20,615,725	134,545,525
Restricted for:				
Debt service	1,254,791	-	1,254,791	1,437,995
Construction	2,819,189	-	2,819,189	17,766,169
Health and welfare programs	1,083,324	-	1,083,324	-
Unrestricted	32,714,604	8,431,906	41,146,510	18,174,155
<hr/>				
Total net assets	58,456,240	8,463,299	66,919,539	171,923,844
<hr/>				
<u>TOTAL LIABILITIES</u>				
<u>AND NET ASSETS</u>	\$ 85,809,928	\$ 8,488,504	\$ 94,298,432	\$ 252,152,810

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 18,692,546	\$ 6,076,183	\$ 3,846,926	\$ -	\$ (8,769,437)
Public safety	27,191,465	2,198,258	6,655,197	-	(18,338,010)
Public works	1,076,479	-	-	-	(1,076,479)
Health and welfare	11,104,236	1,420,800	4,421,456	-	(5,261,980)
Community and economic development	721,829	13,928	54,491	-	(653,410)
Recreation and culture	593,013	2,361	4,908	-	(585,744)
Other governmental activities	1,098,830	471,903	-	-	(626,927)
Interest on long-term debt	435,690	-	-	-	(435,690)
Total governmental activities	60,914,088	10,183,433	14,982,978	-	(35,747,677)
Business-type activities:					
Delinquent tax	102,933	1,389,228	-	-	1,286,295
Equipment rental	227,823	215,777	-	-	(12,046)
Printing	161,890	142,687	-	-	(19,203)
Engineering	99,067	105,060	-	-	5,993
Inmate commissary	38,791	59,202	-	-	20,411
Revolving loan	11,086	6,753	-	-	(4,333)
Total business-type activities	641,590	1,918,707	-	-	1,277,117
Total primary government	\$ 61,555,678	\$ 12,102,140	\$ 14,982,978	\$ -	\$ (34,470,560)
Component units					
Road Commission	\$ 19,486,432	\$ -	\$ 25,763,062	\$ -	\$ 6,276,630
Mental Health Authority	25,361,279	18,782,423	6,667,792	-	88,936
Library Services	6,066,307	250,884	-	-	(5,815,423)
Drain Commission	1,666,945	108,561	66,421	4,406,866	2,914,903
County Agency	20,151,025	6,555,189	10,462,076	-	(3,133,760)
Total component units	\$ 72,731,988	\$ 25,697,057	\$ 42,959,351	\$ 4,406,866	\$ 331,286

continued...

COUNTY OF MONROE, MICHIGAN
Statement of Activities
For the Year Ended December 31, 2005

Functions/Programs	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets				
Net (expense) revenue	\$ (35,747,677)	\$ 1,277,117	\$ (34,470,560)	\$ 331,286
General revenues:				
Property taxes	38,059,005	-	38,059,005	5,382,382
Grants and contributions not restricted to specific programs	3,367,087	-	3,367,087	1,146,459
Other revenue	-	-	-	99,243
Restricted investment earnings	-	-	-	2,255
Unrestricted investment earnings	1,077,198	40,945	1,118,143	882,891
Transfers - internal activities	1,145,000	(1,145,000)	-	-
Total general revenues and transfers	43,648,290	(1,104,055)	42,544,235	7,513,230
Change in net assets	7,900,613	173,062	8,073,675	7,844,516
Net assets, beginning of year, as restated	50,555,627	8,290,237	58,845,864	164,079,328
Net assets, end of year	<u>\$ 58,456,240</u>	<u>\$ 8,463,299</u>	<u>\$ 66,919,539</u>	<u>\$ 171,923,844</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Balance Sheet
Governmental Funds
December 31, 2005

	General	County Health	Revenue Sharing Reserve	Senior Citizen	Nonmajor Funds	Totals
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 2,093,803	\$ 2,100,034	\$ 4,247,290	\$ 91,224	\$ 9,470,591	\$ 18,002,942
Investments	7,185,522	-	-	292,851	983,750	8,462,123
Taxes receivable	9,724,193	-	8,440,595	2,862,682	629,790	21,657,260
Accounts receivable - net	9,043	-	-	-	-	9,043
Interest receivable	71,352	-	-	5,247	-	76,599
Due from other governments	1,221,278	96,555	-	-	1,366,548	2,684,381
Due from other funds	-	-	-	-	1,264,628	1,264,628
Advance to other funds	200,000	-	-	-	270,629	470,629
Advance to component unit	600,000	-	-	-	-	600,000
Prepays	15,353	720	-	-	-	16,073
<u>TOTAL ASSETS</u>	\$ 21,120,544	\$ 2,197,309	\$ 12,687,885	\$ 3,252,004	\$ 13,985,936	\$ 53,243,678
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 605,252	\$ 203,080	\$ -	\$ 8,787	\$ 494,027	\$ 1,311,146
Accrued wages and fringes	599,740	36,643	-	-	270,120	906,503
Due to other funds	425,628	-	-	-	839,000	1,264,628
Advances from other governments	9,807	-	-	-	68,000	77,807
Advances from other funds	-	-	-	-	50,000	50,000
Deferred revenue	9,724,193	-	-	2,862,682	629,790	13,216,665
Total liabilities	11,364,620	239,723	-	2,871,469	2,350,937	16,826,749
Fund balances						
Reserved for:						
Encumbrances	84,084	1,631	-	-	151,673	237,388
Long-term advances	800,000	-	-	-	270,629	1,070,629
Prepaid items	15,353	720	-	-	-	16,073
Health ordinances	-	1,079,566	-	-	-	1,079,566
Debt service	-	-	-	-	756,873	756,873
Donations	-	-	-	-	3,758	3,758
Unreserved:						
Designated for subsequent expenditures	221,845	-	-	275,239	-	497,084
Designated for subsequent expenditures, reported in nonmajor special revenue funds	-	-	-	-	1,471,407	1,471,407
Undesignated	8,634,642	875,669	12,687,885	105,296	-	22,303,492
Undesignated, reported in nonmajor:						
Special revenue funds	-	-	-	-	5,663,552	5,663,552
Debt service funds	-	-	-	-	497,918	497,918
Capital projects funds	-	-	-	-	2,819,189	2,819,189
Total fund balances	9,755,924	1,957,586	12,687,885	380,535	11,634,999	36,416,929
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 21,120,544	\$ 2,197,309	\$ 12,687,885	\$ 3,252,004	\$ 13,985,936	\$ 53,243,678

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Reconciliation of Fund Balances on the Balance Sheet
for Governmental Funds to Net Assets
of Governmental Activities on the Statement of Net Assets
December 31, 2005

Fund balances - total governmental funds	\$ 36,416,929
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Amounts reported for *governmental activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources, and therefore not reported in the funds.

Add: capital assets not being depreciated	105,000
Add: capital assets being depreciated	63,960,351
Subtract: accumulated depreciation	(34,428,428)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets.

Add: net assets of governmental activities accounted for in internal service funds	3,249,572
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Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.

Subtract: bonds and notes payable	(9,446,743)
Subtract: accrued interest on long-term liabilities	(94,216)
Subtract: accrued compensated absences	(1,306,225)

Net assets of governmental activities	<u><u>\$ 58,456,240</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	County Health	Revenue Sharing Reserve	Senior Citizen	Nonmajor Funds	Totals
Revenues						
Taxes	\$ 26,423,696	\$ -	\$ 8,440,595	\$ -	\$ 600,519	\$ 35,464,810
Licenses and permits	188,677	357,166	-	-	12,690	558,533
Intergovernmental revenues	3,237,775	2,547,538	-	2,594,195	7,389,026	15,768,534
Contributions from local units	1,767,079	-	-	-	41,560	1,808,639
Charges for services	5,400,454	1,055,174	-	22,634	1,441,670	7,919,932
Fines and forfeits	662,756	-	-	-	231,443	894,199
Interest and rents	1,205,971	-	10,075	-	619,376	1,835,422
Other revenue	1,460,556	159,039	-	61,696	1,685,796	3,367,087
Total revenues	40,346,964	4,118,917	8,450,670	2,678,525	12,022,080	67,617,156
Expenditures						
Current:						
General government	15,237,101	-	-	-	2,809,722	18,046,823
Public safety	16,685,464	-	-	2,595,627	6,015,890	25,296,981
Public works	38,512	-	-	-	1,033,407	1,071,919
Health and welfare	642,291	4,856,589	-	-	6,436,052	11,934,932
Community and economic development	579,605	-	-	-	-	579,605
Recreation and culture	437,132	-	-	-	28,197	465,329
Other	1,102,073	-	-	-	-	1,102,073
Debt service:						
Principal	-	-	-	-	2,098,195	2,098,195
Interest	-	-	-	-	458,832	458,832
Capital outlay	552,983	31,880	-	-	1,519,638	2,104,501
Total expenditures	35,275,161	4,888,469	-	2,595,627	20,399,933	63,159,190
Revenues over (under) expenditures	5,071,803	(769,552)	8,450,670	82,898	(8,377,853)	4,457,966
Other financing sources (uses)						
Transfers in	3,936,734	1,396,619	-	-	9,289,340	14,622,693
Transfers (out)	(8,875,611)	(81,700)	(2,564,652)	(132,403)	(1,183,327)	(12,837,693)
Total other financing sources (uses)	(4,938,877)	1,314,919	(2,564,652)	(132,403)	8,106,013	1,785,000
Net change in fund balances	132,926	545,367	5,886,018	(49,505)	(271,840)	6,242,966
Fund balances, beginning of year, as restated	9,622,998	1,412,219	6,801,867	430,040	11,906,839	30,173,963
Fund balances, end of year	\$ 9,755,924	\$ 1,957,586	\$ 12,687,885	\$ 380,535	\$ 11,634,999	\$ 36,416,929

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2005

Net change in fund balances - total governmental funds	\$ 6,242,966
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Add: capital outlay	2,104,501
Subtract: depreciation expense	(2,783,335)
Subtract: loss on disposal of capital assets	(97,433)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term-liabilities.

Add: principal payments on long-term liabilities	2,098,195
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Add: change in accrued interest on bonds	23,142
Subtract: increase in accrual for compensated absences	(27,797)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and other centralized costs, to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities:

Add: net operating income from governmental activities accounted for in internal service funds	927,829
Add: interest revenue from governmental internal service funds	52,545
Subtract: internal activities (transfers) accounted for in internal service funds	(640,000)

Change in net assets of governmental activities	\$ <u>7,900,613</u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Taxes	\$ 26,783,255	\$ 26,783,255	\$ 26,423,696	\$ (359,559)
Licenses and permits	214,125	218,625	188,677	(29,948)
Intergovernmental revenues	6,655,522	4,615,625	3,237,775	(1,377,850)
Contributions from local units	1,675,942	1,675,942	1,767,079	91,137
Charges for services	5,197,550	5,227,550	5,400,454	172,904
Fines and forfeits	648,000	648,000	662,756	14,756
Interest and rents	840,504	850,942	1,205,971	355,029
Other revenue	1,456,301	1,492,575	1,460,556	(32,019)
Total revenues	43,471,199	41,512,514	40,346,964	(1,165,550)
Expenditures				
Current:				
General government	15,792,169	15,755,474	15,237,101	(518,373)
Public safety	16,951,565	17,120,667	16,685,464	(435,203)
Public works	39,197	39,197	38,512	(685)
Health and welfare	626,626	651,051	642,291	(8,760)
Community and economic development	907,533	891,632	579,605	(312,027)
Recreation and cultural	463,597	464,258	437,132	(27,126)
Other expenditures	1,694,212	1,125,303	1,102,073	(23,230)
Capital outlay	909,751	1,400,912	552,983	(847,929)
Total expenditures	37,384,650	37,448,494	35,275,161	(2,173,333)
Revenues over (under) expenditures	6,086,549	4,064,020	5,071,803	1,007,783
Other financing sources (uses)				
Transfers in	1,785,870	4,393,169	3,936,734	(456,435)
Transfers (out)	(8,409,237)	(9,091,202)	(8,875,611)	215,591
Total other financing (uses)	(6,623,367)	(4,698,033)	(4,938,877)	(240,844)
Net change in fund balance	(536,818)	(634,013)	132,926	766,939
Fund balance, beginning of year	9,622,998	9,622,998	9,622,998	-
Fund balance, end of year	\$ 9,086,180	\$ 8,988,985	\$ 9,755,924	\$ 766,939

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
County Health Special Revenue Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Licenses and permits	\$ 325,000	\$ 334,000	\$ 357,166	\$ 23,166
Intergovernmental revenues	2,002,222	2,547,806	2,547,538	(268)
Charges for services	922,166	942,166	1,055,174	113,008
Other revenue	118,530	129,880	159,039	29,159
Total revenues	3,367,918	3,953,852	4,118,917	165,065
Expenditures				
Current:				
Health and welfare	4,893,910	5,529,209	4,856,589	(672,620)
Capital outlay	91,000	107,900	31,880	(76,020)
Total expenditures	4,984,910	5,637,109	4,888,469	(748,640)
Revenues over (under) expenditures	(1,616,992)	(1,683,257)	(769,552)	913,705
Other financing sources (uses)				
Transfers in	1,611,538	1,611,538	1,396,619	(214,919)
Transfers (out)	(81,700)	(81,700)	(81,700)	-
Total other financing (uses)	1,529,838	1,529,838	1,314,919	(214,919)
Net change in fund balance	(87,154)	(153,419)	545,367	698,786
Fund balance, beginning of year	1,412,219	1,412,219	1,412,219	-
Fund balance, end of year	\$ 1,325,065	\$ 1,258,800	\$ 1,957,586	\$ 698,786

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Revenue Sharing Reserve Special Revenue Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Taxes	\$ -	\$ 2,600,000	\$ 8,440,595	\$ 5,840,595
Interest and rents	-	-	10,075	10,075
Total revenues	-	2,600,000	8,450,670	5,850,670
Other financing uses				
Transfers (out)	-	(2,600,000)	(2,564,652)	35,348
Net change in fund balance	-	-	5,886,018	5,886,018
Fund balance, beginning of year as restated	6,801,867	6,801,867	6,801,867	-
Fund balance, end of year	\$ 6,801,867	\$ 6,801,867	\$ 12,687,885	\$ 5,886,018

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Senior Citizen Special Revenue Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Taxes	\$ 2,560,669	\$ 2,560,669	\$ 2,594,195	\$ 33,526
Interest and rents	14,000	14,000	22,634	8,634
Other revenues	-	51,588	61,696	10,108
Total revenues	2,574,669	2,626,257	2,678,525	52,268
Expenditures				
Current:				
Health and Welfare	\$ 2,621,479	\$ 2,672,784	\$ 2,595,627	(77,157)
Revenues over (under) expenditures	(46,810)	(46,527)	82,898	129,425
Other financing sources				
Transfers (out)	(129,100)	(136,399)	(132,403)	3,996
Net change in fund balance	(175,910)	(182,926)	(49,505)	133,421
Fund balances, beginning of year	430,040	430,040	430,040	-
Fund balances, end of year	\$ 254,130	\$ 247,114	\$ 380,535	\$ 133,421

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Net Assets
Proprietary Funds
December 31, 2005

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
<u>ASSETS</u>				
Assets				
Current assets:				
Cash and cash equivalents	\$ 2,160,433	\$ 455,801	\$ 2,616,234	\$ 2,454,662
Investments	350,000	-	350,000	1,650,000
Taxes receivable - delinquent	3,434,904	-	3,434,904	-
Accounts receivable	3,262	-	3,262	1,167
Interest receivable	489,629	-	489,629	14,942
Due from other governments	-	8,956	8,956	-
Due from other funds	-	-	-	130,000
Due from component units	-	44,862	44,862	-
Total current assets	6,438,228	509,619	6,947,847	4,250,771
Noncurrent assets:				
Loans receivable due within one year	-	48,750	48,750	-
Loans receivable due beyond one year	-	1,460,515	1,460,515	-
Restricted assets - cash and cash equivalents	-	-	-	149,661
Capital assets being depreciated, net	-	31,393	31,393	394,152
Total noncurrent assets	-	1,540,657	1,540,657	543,813
<u>TOTAL ASSETS</u>	\$ 6,438,228	\$ 2,050,276	\$ 8,488,504	\$ 4,794,584
<u>LIABILITIES AND NET ASSETS</u>				
Liabilities				
Current liabilities:				
Accounts payable	\$ 12,382	\$ 7,231	\$ 19,613	\$ 11,770
Accrued wages and fringes	-	5,470	5,470	-
Other accrued liabilities	-	-	-	130,000
Due to other governments	122	-	122	-
Due to other funds	-	-	-	982,613
Total current liabilities	12,504	12,701	25,205	1,124,383
Noncurrent liabilities:				
Advances from other funds	-	-	-	420,629
Total noncurrent liabilities	-	-	-	420,629
Total liabilities	12,504	12,701	25,205	1,545,012
Net assets				
Invested in capital assets	-	31,393	31,393	-
Unrestricted	6,425,724	2,006,182	8,431,906	3,249,572
Total net assets	6,425,724	2,037,575	8,463,299	3,249,572
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 6,438,228	\$ 2,050,276	\$ 8,488,504	\$ 4,794,584

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2005

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
Operating revenues				
Charges for services	\$ 222,774	\$ 400,788	\$ 623,562	\$ 138,867
Interest on taxes	813,431	-	813,431	-
Interest on loan repayments	-	6,753	6,753	-
Tax administration fees	353,003	-	353,003	-
Expense of sale	20	-	20	-
Employer contributions	-	-	-	8,908,759
Employee contributions	-	-	-	104,167
Other operating revenue	-	121,938	121,938	294,381
Total operating revenues	1,389,228	529,479	1,918,707	9,446,174
Operating expense				
Cost of services	-	521,218	521,218	-
Administrative costs	102,933	-	102,933	207,877
Benefit payments	-	-	-	7,121,399
Liability insurance	-	-	-	1,129,491
Depreciation	-	17,439	17,439	59,578
Total operating expense	102,933	538,657	641,590	8,518,345
Operating income (loss)	1,286,295	(9,178)	1,277,117	927,829
Non-operating revenues				
Interest and rentals	40,945	-	40,945	52,545
Income (loss) before transfers	1,327,240	(9,178)	1,318,062	980,374
Transfers out	(1,145,000)	-	(1,145,000)	(640,000)
Change in net assets	182,240	(9,178)	173,062	340,374
Net assets, beginning of year, as restated	6,243,484	2,046,753	8,290,237	2,909,198
Net assets, end of year	<u>\$ 6,425,724</u>	<u>\$ 2,037,575</u>	<u>\$ 8,463,299</u>	<u>\$ 3,249,572</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
Cash flows from operating activities				
Cash received from customers	\$ 1,658,339	\$ 542,041	\$ 2,200,380	\$ 10,991,061
Collections of housing loan principal	-	\$ 89,153	89,153	-
Collections of housing loan interest	-	\$ 6,753	6,753	-
Cash payments to suppliers for goods and services	(102,933)	(234,354)	(337,287)	(2,505,304)
Cash payments to employees for services	-	(303,597)	(303,597)	-
Cash payments for employee benefits	-	-	-	(7,293,682)
Housing loans issued	-	(101,325)	(101,325)	-
Net cash provided by operating activities	1,555,406	(1,329)	1,554,077	1,192,075
Cash flows from non-capital financing activities				
Transfers out	(1,145,000)	-	(1,145,000)	(640,000)
Net cash used by non-capital financing activities	(1,145,000)	-	(1,145,000)	(640,000)
Cash flows from capital and related financing activities				
Repayment of long-term advances	-	-	-	(86,388)
Cash flows from investing activities				
Sale of investments	1,400,000	-	1,400,000	-
Interest received	40,945	-	40,945	52,545
Net cash provided by investing activities	1,440,945	-	1,440,945	52,545
Net increase (decrease) in cash and cash equivalents	1,851,351	(1,329)	1,850,022	518,232
Cash and cash equivalents, beginning of year	309,082	457,130	766,212	2,086,091
Cash and cash equivalents, end of year	<u>\$ 2,160,433</u>	<u>\$ 455,801</u>	<u>\$ 2,616,234</u>	<u>\$ 2,604,323</u>

(Continued...)

**COUNTY OF MONROE, MICHIGAN
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005**

	Business-type Activities / Enterprise Funds			Governmental Activities
	Delinquent Tax Revolving	Nonmajor Funds	Totals	Internal Service
Cash flows from operating activities				
Operating income (loss)	\$ 1,286,295	\$ (9,178)	\$ 1,277,117	\$ 927,829
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	17,439	17,439	59,578
Bad debt expense	-	11,086	11,086	-
(Increase) decrease in:				
Taxes receivable-delinquent	168,871	-	168,871	-
Accounts receivable	1,408	(3,796)	(2,388)	80,089
Interest receivable	100,022	-	100,022	-
Due from other governments	-	-	-	9,558
Due from other funds	-	-	-	1,455,240
Due from component units	-	23,111	23,111	-
Loans receivable	-	(12,172)	(12,172)	-
Increase (decrease) in:				
Accounts payable	12,382	(12,160)	222	(73,595)
Accrued wages and fringes	-	(187)	(187)	-
Due to other governments	(13,572)	-	(13,572)	-
Due to other funds	-	(15,472)	(15,472)	130,000
Other accrued liabilities	-	-	-	(51,633)
Compensated absences payable	-	-	-	(1,344,991)
Net cash provided (used) by operating activities	<u>\$ 1,555,406</u>	<u>\$ (1,329)</u>	<u>\$ 1,554,077</u>	<u>\$ 1,192,075</u>

Non-cash transactions

There were no non-cash transactions during the fiscal year.

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Fiduciary Net Assets
December 31, 2005

	Pension and Other Employee Benefit Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 134,596	\$ 2,152,567
Investments at fair value:		
U.S. treasuries	14,410,794	500,000
U.S. agencies	21,884,956	-
Foreign government bonds	5,425,814	-
Corporate bonds	26,822,420	-
Bond mutual fund	1,008,562	-
Domestic equities	64,521,344	-
International equities	9,337,421	-
American depository receipts	25,817,420	-
Money market	6,684,515	-
Contributions receivable	188,609	-
Accounts receivable	48,124	-
Interest receivable	783,115	-
	<hr/>	<hr/>
Total assets	177,067,690	\$ 2,652,567
	<hr/>	<hr/>
Liabilities		
Accounts payable	1,488,331	\$ 16,066
Foreign currency forward contracts payable	142,944	-
Due to other governments	-	560,475
Undistributed taxes - current levy	-	1,411,037
Undistributed taxes - other	-	69,063
Other undistributed receipts	-	595,926
	<hr/>	<hr/>
Total liabilities	1,631,275	\$ 2,652,567
	<hr/>	<hr/>
Net assets held in trust for pension benefits and other purposes	<u>\$ 175,436,415</u>	

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Statement of Changes in Fiduciary Net Assets
For the Year Ended December 31, 2005

	Pension and Other Employee Benefit Trust Funds
Additions	
Investment income:	
<i>From investing activities</i>	
Net appreciation in fair value of investments	\$ 8,259,819
Interest and dividends	5,561,419
Total investment income	13,821,238
Less: investment management fees	(1,071,237)
Net gain from investing activities	12,750,001
<i>From securities lending activities</i>	
Gross earnings	973,290
Borrower rebates	(884,915)
Securities lending fees	(35,340)
Net income from securities lending activities	53,035
Total net investment gain	12,803,036
Contributions:	
Employer	5,102,754
Employee	546,719
Time purchase	16,279
Total contributions	5,665,752
Total additions	18,468,788
Deductions	
Benefit payments	8,302,235
Refunds of contributions	883,481
Administrative expenses/premiums paid	326,132
Total deductions	9,511,848
Net additions to net assets held in trust	8,956,940
Net assets held in trust for pension benefits and other purposes	
Beginning of year, as restated	166,479,475
End of year	\$ 175,436,415

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Combining Statement of Net Assets
Component Units
December 31, 2005

	Road Commission	Mental Health	Library	Drain Commission	County Agency	Total
<u>ASSETS</u>						
Assets						
Current assets:						
Cash and cash equivalents	\$ 896,662	\$ 6,273,926	\$ 3,465,416	\$ 2,123,673	\$ 5,467,274	\$ 18,226,951
Taxes receivable	-	-	5,545,505	-	-	5,545,505
Special assessments receivable	100,664	-	-	647,508	-	748,172
Unlevied special assessments	-	-	-	1,053,000	-	1,053,000
Accounts receivable	8,157,370	520,146	234,601	-	915,332	9,827,449
Due from other governments	-	1,125,646	-	-	4,260,918	5,386,564
Inventory	783,081	-	-	-	100,404	883,485
Prepays	3,541	285,745	23,879	-	15,700	328,865
Deposits	-	-	-	-	1,500	1,500
Total current assets	9,941,318	8,205,463	9,269,401	3,824,181	10,761,128	42,001,491
Noncurrent assets:						
Restricted assets - cash and cash equivalents	1,504,226	53,533	-	-	14,286,031	15,843,790
Leases receivable	-	-	-	-	46,595,000	46,595,000
Capital assets not being depreciated	13,063,346	54,000	7,910,866	-	2,431,812	23,460,024
Capital assets being depreciated, net	82,176,383	952,771	739,013	23,407,757	16,976,581	124,252,505
Total noncurrent assets	96,743,955	1,060,304	8,649,879	23,407,757	80,289,424	210,151,319
<u>TOTAL ASSETS</u>	\$ 106,685,273	\$ 9,265,767	\$ 17,919,280	\$ 27,231,938	\$ 91,050,552	\$ 252,152,810
<u>LIABILITIES AND NET ASSETS</u>						
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	2,073,945	1,006,187	133,548	42,955	2,677,668	5,934,303
Accrued interest payable	-	-	-	10,183	425,070	435,253
Due to other governments	-	843,852	-	-	-	843,852
Due to primary government	-	-	-	44,862	-	44,862
Deposits payable	-	-	-	-	5,192	5,192
Unearned revenue	1,542,174	187,777	5,732,344	-	185,700	7,647,995
Total current liabilities	3,616,119	2,037,816	5,865,892	98,000	3,293,630	14,911,457
Non current liabilities:						
Compensated absences due within one year	-	223,496	129,000	-	87,856	440,352
Compensated absences due beyond one year	565,224	-	129,929	-	-	695,153
Advances from primary government	-	-	-	600,000	-	600,000
Long-term debt due within one year	1,014,131	5,966	-	309,600	3,920,000	5,249,697
Long-term debt due beyond one year	6,425,627	12,430	-	1,041,700	50,852,550	58,332,307
Total noncurrent liabilities	8,004,982	241,892	258,929	1,951,300	54,860,406	65,317,509
Total liabilities	11,621,101	2,279,708	6,124,821	2,049,300	58,154,036	80,228,966
Net assets						
Invested in capital assets, net of related debt	87,799,971	988,375	8,649,879	22,056,457	15,050,843	134,545,525
Restricted for debt service	-	53,490	9,861	1,187,955	186,689	1,437,995
Restricted for construction	1,504,226	-	-	1,938,226	14,323,717	17,766,169
Unrestricted	5,759,975	5,944,194	3,134,719	-	3,335,267	18,174,155
Total net assets	95,064,172	6,986,059	11,794,459	25,182,638	32,896,516	171,923,844
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 106,685,273	\$ 9,265,767	\$ 17,919,280	\$ 27,231,938	\$ 91,050,552	\$ 252,152,810

The accompanying notes are an integral part of these financial statements.

COUNTY OF MONROE, MICHIGAN
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2005

	Road Commission	Mental Health	Library	Drain Commission	County Agency	Total
Expenses						
Road Commission	\$ 19,486,432	\$ -	\$ -	\$ -	\$ -	\$ 19,486,432
Mental Health Authority	-	25,361,279	-	-	-	25,361,279
Library Services	-	-	6,066,307	-	-	6,066,307
Drain Commission	-	-	-	1,666,945	-	1,666,945
County Agency	-	-	-	-	20,151,025	20,151,025
Total expenses	19,486,432	25,361,279	6,066,307	1,666,945	20,151,025	72,731,988
Program revenues						
Charges for services	-	18,782,423	250,884	108,561	6,555,189	25,697,057
Operating grants and contributions	25,763,062	6,667,792	-	66,421	10,462,076	42,959,351
Capital grants and contributions	-	-	-	4,406,866	-	4,406,866
Total program revenues	25,763,062	25,450,215	250,884	4,581,848	17,017,265	73,063,274
Net (expense) revenue	6,276,630	88,936	(5,815,423)	2,914,903	(3,133,760)	331,286
General revenues						
Property taxes	-	-	5,382,382	-	-	5,382,382
Grants and contributions not restricted to specific programs	-	-	1,146,459	-	-	1,146,459
Other revenue	-	-	99,243	-	-	99,243
Restricted investment earnings	-	2,255	-	-	-	2,255
Unrestricted investment earnings	-	168,032	128,384	61,519	524,956	882,891
Total general revenues	-	170,287	6,756,468	61,519	524,956	7,513,230
Change in net assets	6,276,630	259,223	941,045	2,976,422	(2,608,804)	7,844,516
Net assets, beginning of year, as restated	88,787,542	6,726,836	10,853,414	22,206,216	35,505,320	164,079,328
Net assets, end of year	\$ 95,064,172	\$ 6,986,059	\$ 11,794,459	\$ 25,182,638	\$ 32,896,516	\$ 171,923,844

The accompanying notes are an integral part of these financial statements.

**NOTES TO
BASIC
FINANCIAL
STATEMENTS**

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Monroe County (the “County” or “government”) was organized in 1811 and covers an area of 560 square miles divided into 15 townships, 5 villages and 4 cities. The County seat is located in the City of Monroe. The County operates under an elected Board of Commissioners (9 members) and provides services to its more than 152,256 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services.

REPORTING ENTITY

As defined by generally accepted accounting principles established by the Government Accounting Standards Board, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit’s board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

The accompanying financial statements present Monroe County (the primary government) and its component units. The financial data of the component units are included in the County’s reporting entity because of the significance of their operational or financial relationships with the County.

BLENDED COMPONENT UNIT

Monroe County Building Authority - The Monroe County Building Authority was created under the provisions of Act 31, Public Acts of 1948 (Extra Session), as amended, and is governed by a five-member board appointed by the Monroe County Board of Commissioners. The purpose of the Authority is to finance, through tax-exempt bonds, the construction of public buildings for use by the County, with the bonds secured by lease agreements with the County and retired through lease payments from the County. Although it is legally separate from the County, the Monroe County Building Authority is reported as if it were part of the primary government because its sole purpose is to finance the construction of and improvements to the County’s public buildings. As a result, the County has included in its financial statements the Authority’s debt service and capital projects funds. Also, the County has incorporated the bond issues into its long-term debt and capital assets are included in governmental capital assets. A separate report is prepared for the Building Authority and may be obtained from its administrative offices at 125 East Second Street, Monroe, Michigan 48161.

DISCRETELY PRESENTED COMPONENT UNITS

Monroe County Road Commission - The Monroe County Road Commission, which was established pursuant to the County Road Law (MCL 224.1), is governed by a three-member Board of County Road Commissioners appointed by the County Board of Commissioners. The Road Commission may not issue debt without the

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

County's approval and any tax levy is subject to County Board of Commissioners approval. If approval is granted, the Road Commission's taxes are levied under the taxing authority of the County, as approved by the County electors, and would be included as part of the County's total tax levy as well as reported in the County Road Commission. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Road Commission, 840 South Telegraph Road, Monroe, Michigan 48161.

Community Mental Health Authority - The Monroe County Community Mental Health Services Board was established in 1964 to provide mental health services to residents of Monroe County under the provisions of Act 54, Public Acts of 1963, as amended. The current provision is Act 258 Public Acts of 1974. The Monroe County Community Mental Health Services Board was an agency of the County of Monroe and served as a policy making board only. This status as an agency of the County of Monroe ended December 31, 1996. On January 1, 1997, the Monroe County Community Mental Health Services Board, with all its assets, debt obligations and personnel, became the Monroe County Community Mental Health Authority. Upon receiving certification by the Michigan Department of Community Health under Section 232a of the Michigan Mental Health Code and through a resolution adopted by the Monroe County Board of Commissioners on October 1, 1996, it became an authority. As an authority, the Monroe County Community Mental Health Authority has become an autonomous and distinct legal entity separate and apart from the County of Monroe.

The Monroe County Board of Commissioners has the authority to appoint the voting members of the Community Mental Health Authority Board of Directors, which governs the Authority. By law, the primary government (Monroe County) can remove appointed members of the component unit's (Community Mental Health Authority) governing body at will. The Authority is also accountable to the County of Monroe and may be terminated by a majority vote of either the Monroe County Board of Commissioners or the Monroe County Community Mental Health Authority Board of Directors. Complete financial statements that are separately audited may be obtained from the administrative office at Community Mental Health Authority, 1001 South Raisinville Road, Monroe, Michigan 48161.

Monroe County Library System - The Monroe County Library System operates under the provisions of Section 397.301 of the 1979 Compiled Laws and is governed by a five-member board appointed by the Monroe County Board of Commissioners. As recommended by the Michigan Committee on Governmental Accounting Auditing

Statement No. 4, the Monroe County Library System is treated as a discretely presented component unit. As well as appointing the Library Board, the County has the ability to impose its will over the County Library System and would incur a financial benefit or burden if operations of the Library System ceased or changed significantly. The purpose of the Monroe County Library System is to account for earmarked revenue from penal fines, a special millage set aside for library operations, and state grants earmarked to provide public library services. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Library System, 3700 South Custer Road, Monroe, Michigan 48161.

Monroe County Drain Commission - Each of the drainage districts established pursuant to the Drain Code of

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

1956 and included in the financial statements of the Monroe County Drain Commission are separate legal entities with the power to contract; to sue and be sued; and to hold, manage and dispose of real and personal property. The Statutory Drain Board consists of the Drain Commissioner, the Chair of the County Board of Commissioners, and one other member of the Board of Commissioners. The Drain Commissioner is responsible for the construction and maintenance of storm drains within the County. The County is financially accountable for the Drain Commission because the Board of Commissioners approves the budget for the Drain Commission. The full faith and credit of the County is often given for the long-term debt of the drainage districts. A separate report is not prepared for the Monroe County Drain Commission.

County Agency - In 1968, the County of Monroe entered into a program of water supply and sanitary sewer facility construction under Act 342, Public Acts of 1939, as amended. Pursuant to this Act, the County Board of Commissioners appointed the Monroe County Drain Commissioner as the County Agency. The Drain Commissioner as County Agency may not issue debt or levy a special assessment except upon resolution adopted by the County Board of Commissioners. The County Agency manages water supply and sanitary sewer system construction projects of other separate legal units of government. The County pledges its full faith and credit for bonds to finance the projects, but title passes to the local unit when the debt is retired. In addition, the County Agency oversees debt retirement of bonded debt that was used to finance the construction projects that it has managed, and operates and maintains water supply and sanitary sewer systems for other local units of government as appointed by the Board of Commissioners. The County Agency also handles the billing and collection of utility bills when contracted to do so by local units of government. Complete financial statements that are separately audited may be obtained from the administrative office at Monroe County Drain Commissioner County Agency, 1005 South Raisinville Road, Monroe, Michigan 48161.

Complete financial statements of the individual component units that are separately audited can be obtained from their respective administrative offices as noted above or the County Clerk's office at 125 East Second Street, Monroe, MI 48161.

Related disclosures for the County's component units have been incorporated into the notes to the basic financial statements and are referenced to the above mentioned component units when applicable.

Fiscal Year Ends Other than December 31, 2005

The financial information presented in this report is for the fiscal year ended December 31, 2005, except for the Community Mental Health Authority, which is for the fiscal year ended September 30, 2005.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. After March 1, the Delinquent Tax Revolving Fund pays the County for any outstanding taxes as of that date. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds, a type of fiduciary fund, are unlike all other types of funds, reporting only assets and liabilities. Thus, agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement-based grants that use one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

COUNTY OF MONROE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2005

The County reports the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

County Health Fund – This fund is used to account for the activities of delivering an array of public health services to residents of the County. Monies are provided by federal, state, and county appropriations, contributions, and charges for services.

Revenue Sharing Reserve Fund – This fund is used to account for activities related to the establishment of a fund used to reserve current property tax collections that will supplant future year state revenue sharing payments.

Senior Citizen Fund – This fund is used to account for the special tax levy and general fund appropriation for services and special programs for senior citizens.

The County reports the following major proprietary fund:

Delinquent Tax Revolving Fund – This enterprise fund accounts for the County’s annual purchase of delinquent real property taxes from each of the local taxing units within the County and the ultimate collection from the property owners of the delinquent taxes with penalty and interest. The fund also accounts for the County’s issuance of debt when needed (to provide cash flow for the purchase of the taxes) and for the resulting debt service payments.

Additionally, the County reports the following fund types:

Special Revenue Funds - These funds account for revenue from specific revenue sources (other than major capital projects) and related expenditures which are restricted for specific purposes by administrative action or law.

Debt Service Fund - This fund is used to record revenues which are restricted for the payment of principal and interest on debt recorded as long-term obligations of the governmental activities.

Capital Projects Fund - This fund is used to account for nonmajor renovation/construction projects and the acquisition or construction of facilities other than those financed by proprietary fund operations.

Enterprise Funds - These funds are used to report any activity for which a fee is charged to external users for goods or services.

Internal Service Funds – These funds account for operations that provide services (such as the County’s telephone system, self-insurance, and equipment purchases) to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Pension and other employee benefit trust funds – These funds account for the activities of the Employees' Retirement System and the Retirement Health Care employee benefit program for qualified employees.

Agency Funds – These funds account for assets collected and held in a custodial capacity on behalf of outside parties and other governments, including fines, tax collections, fees, licenses and permits.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the delinquent tax fund and of the government's internal service funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

DEPOSITS AND INVESTMENTS

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair value, which is determined as follows: (a) short-term investments are reported at cost, which approximates fair value; (b) securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates; (c) investments that do not have established market values are reported at estimated fair value; and (d) cash deposits are reported at carrying amounts which reasonably

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

approximates fair value. Earnings from investments are allocated to various funds as required by federal regulations, state statutes, and local ordinances.

State statutes authorize the County to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations, and to invest in obligations of the U.S. Treasury, certain commercial paper, repurchase agreements, bankers acceptances, and mutual funds composed of otherwise legal investments (except those with a fluctuating per share value).

RECEIVABLES AND PAYABLES

Transactions between funds that are representative of lending/borrowing arrangements and are outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

INVENTORIES AND PREPAID ITEMS

Inventories for the County Agency component unit are valued at cost, using the first-in first-out method.

Inventories for the Road Commission component unit are priced at cost as determined using an average cost method. Inventory items are charged to road construction and maintenance, equipment repairs and operations, as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The County establishes a reserve of fund balance for all prepaid items.

RESTRICTED ASSETS

Certain resources are classified as restricted assets on the statement of net assets because funds are set aside for debt retirement of general obligation bonds, construction, capital asset replacement, vehicles, necessary building improvement requirements, and general liability claims.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, drains, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. For the County, infrastructure exists in the Drain Commissioner and Road Commission component units. The capitalization threshold for infrastructure is \$25,000. Only infrastructure assets acquired subsequent to 1980 have been reported. Capital assets other than infrastructure assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value as of the donation date. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on the capital assets (including infrastructure) of the primary government, as well as the component units, is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

<u>ASSETS</u>	<u>YEARS</u>
Buildings	30 - 50
Building improvements	20
Machinery and equipment	5 - 10
Vehicles	5 - 7
Public domain infrastructure	8 - 50

Provisions for depreciation in these funds are computed at rates designed to amortize the cost of the assets over their estimated useful lives.

LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund type statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

COUNTY OF MONROE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2005

COMPENSATED ABSENCES

The County has an accrued liability to its employees for accumulated vested vacation benefits of \$1,306,225 at December 31, 2005. The County's employment policy provides that vacation days can be carried over one year from the end of the calendar year in which they are earned. Vacation days are forfeited if they are not taken within the two-year period. This policy applies to all County employees except the Road Commission employees.

As of July 1, 1986, all accumulated sick leave for employees was frozen and placed in a bank. Regular full-time non-union employees with banked sick days may utilize them for illness. Unused sick days are maintained in the bank and the employee shall be paid for one-half of those unused days at the time the employee terminates employment. At December 31, 2005, the County has recorded a liability of \$240,249 for the banked sick time in the financial statements of the Banked Sick Pay Fund, an internal service fund.

The County's current employment policy for sick leave calls for yearly payout of one-half of the unused balance. The remaining one-half does not accumulate. This liability requires payment in the second payroll of the subsequent fiscal year and is accrued at year end.

FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE B - BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted by the County Board of Commissioners for the general and special revenue funds. The budget basis of accounting does not differ significantly from the modified accrual basis used to reflect the actual revenues and expenditures for these funds. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund, function, and department. The Board of Commissioners holds a public hearing and a final budget is adopted prior to December 31 and presented in a separate document. The County's department heads may make transfers of appropriations within a department, with the exception of a personnel services object. Transfers of appropriations between a personnel and non-personnel services object require prior approval of the Board of Commissioners. Transfers of appropriations between departments also require the approval of the Board. The level of budgetary control is the department level for the general fund and fund level for special revenue funds. The Finance Officer is authorized to transfer budget amounts, with the exception of personnel services, and to make authorized amendments to the original approved budget.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

The Board of Commissioners made several supplemental budgetary appropriations throughout the year, including a net increase of \$745,809 in the general fund budget and net increases of \$4,975,755 in the special revenue funds. The general fund net increases were due primarily to additional grant activity, additional capital outlay, and public improvement items. The special revenue fund increases were for similar reasons as the general fund.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances are recorded at the time that the purchase orders and contracts are issued. The encumbrances are liquidated when the goods or services are received. Encumbrances outstanding at December 31, 2005 do not lapse but are reserved within the fund balance and brought forward to the new fiscal year.

NOTE C – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the County were adopted on a department level basis for the general fund and the function level for the special revenue funds.

Excess of expenditures over appropriations in individual funds are as follows:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Family Court-Probation Officer	\$510,227	\$562,308	\$52,081
Detectives Bureau	551,676	618,051	66,375
O.M.N.I. Services	336,664	338,535	1,871
Sheriff Records	375,707	392,868	17,161
Intersection Enforcement	52,873	61,506	8,633
Corrections-Jail	4,696,056	4,732,139	36,083
SHSGR Solution Area Planner	9,556	10,099	543
COPS in Schools-BPS and SPS	137,355	149,567	12,212
Medical Examiner	143,901	149,768	5,867
Area Wide Water Quality Board	7,000	7,055	55
Economic Development-Dundee	90,000	90,044	44

These over-expenditures were funded by available fund balance.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

NOTE D - DEPOSITS, INVESTMENTS AND SECURITIES LENDING

Following is a reconciliation of deposits and investments as of December 31, 2005:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Statement of Net Assets:			
Cash and cash equivalents	\$23,073,838	\$18,226,951	\$41,300,789
Investments	10,462,123	-	10,462,123
Restricted cash and cash equivalents	149,661	15,843,790	15,993,451
Statement of Fiduciary Net Assets:			
Cash and cash equivalents	2,287,163	-	2,287,163
Investments	<u>176,413,246</u>	<u>-</u>	<u>176,413,246</u>
Total	<u>\$212,386,031</u>	<u>\$34,070,741</u>	<u>\$246,456,772</u>

Deposit and Investments:

Bank deposits (checking, and savings accounts, and certificates of deposit)	\$ 59,571,950
Investments in securities, mutual funds and similar vehicles:	
Treasurer's investment pool	10,962,123
Employees' retirement system	162,657,815
Retiree health insurance fund	13,255,431
Cash on hand	<u>9,453</u>
Total	<u>\$246,456,772</u>

Bank Deposits and Treasurer's Investment Pool

Custodial Credit Risk - Deposits. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. As of December 31, 2005, \$60,004,885 of the County's total bank balance of \$62,321,911 (total book balance was \$59,571,950) was exposed to custodial credit risk as it was uninsured and uncollateralized.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

In accordance with the County's investment policy and State law, all deposits are uncollateralized, held in the County's name, and evidenced by a safekeeping receipt. Also, due to the dollar amounts of cash deposits and the limits of FDIC insurance, the County believes it is impractical to insure all bank deposits. As a result, the County evaluates each financial institution and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Custodial Credit Risk - Investments. Following is a summary of the Treasurer's investment pool as of December 31, 2005:

U.S. agencies	\$ 4,662,123
Money market	<u>6,300,000</u>
Total	<u>\$10,962,123</u>

Investments are exposed to custodial credit risk if the securities are uninsured, unregistered or held by a counterparty or its agent but not in the government's name. In accordance with the County's investment policy, all investments are held in the name of the County and are evidenced by a safekeeping receipt confirmation, and thus not exposed to custodial credit risk.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy and State law require that commercial paper be rated in the top two ratings by at least two nationally recognized statistical rating organizations. Ratings are not required for money market funds.

As of December 31, 2005, all of the Treasurer's investment pool in securities of U.S. agencies were rated AAA by Standard & Poor's.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy requires diversification by security type and institution, but does not place a fixed percentage limit for any one issuer. At December 31, 2005, the County had greater than 5% of its total investment portfolio concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
U.S. agencies	Federal Home Loan Bank	38.0%

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of investments. The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

COUNTY OF MONROE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2005

As of December 31, 2005, all of the County's debt securities in the Treasurer's investment pool were scheduled to mature in 2008 and 2009. All of the debt securities are callable.

Employees Retirement System Investments

The System's investments are primarily held in a bank-administered trust fund. Following is a summary of the System's investments as of December 31, 2005:

Investments at fair value, as determined by quoted market price:	
U.S. treasuries	\$ 13,492,879
U.S. agencies:	
Not on securities loan	7,585,486
On securities loan	12,230,607
Foreign government bonds	5,425,814
Corporate bonds:	
Not on securities loan	24,183,150
On securities loan	88,571
Bond mutual fund	1,008,562
Domestic equities:	
Not on securities loan	37,126,569
On securities loan	20,110,001
International equities	9,337,421
American depository receipts	25,817,420
Money market	<u>6,251,335</u>
Total investments	<u>\$162,657,815</u>

The Michigan Public Employees Retirement Systems' Investment Act, Public Act 314 of 1965, as amended, authorizes the System to invest in domestic and foreign stocks, government securities, corporate securities, mortgages, real estate and various other investment instruments, subject to certain limitations.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks.

As of December 31, 2005, the System's investments in debt securities were rated by Standard & Poor's as follows:

<u>Rating</u>	<u>U.S. agencies</u>	<u>Foreign government bonds</u>	<u>Corporate bonds</u>
AAA	\$ 18,388,430	\$ 5,218,623	\$ 2,264,598
AA	-	207,191	85,602
AA-	1,427,663	-	1,726,049
A+	-	-	8,356,944
A	-	-	5,772,144
A-	-	-	2,665,842
BBB+	-	-	2,051,732
BBB	-	-	1,348,810
	<u>\$ 19,816,093</u>	<u>\$ 5,425,814</u>	<u>\$ 24,271,721</u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The System's investments in bond mutual and money market funds are not rated.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The System's investment policy requires that securities be held in trust by a third-party institution in the System's name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the System's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the System's name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy requires that no manager will hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. At December 31, 2005 the System's investment portfolio was not concentrated.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of December 31, 2005, maturities of the System's debt securities were as follows:

	Fair Value	Investment Maturities (fair value by years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. treasuries	\$ 13,492,879	\$ 2,821,286	\$ 4,671,005	\$ 6,000,588	\$ -
U.S. agencies	19,816,093	3,709,400	7,515,699	6,102,269	2,488,725
Foreign governments	5,425,814	1,035,065	2,614,362	1,776,387	-
Corporate bonds	24,271,721	3,353,854	12,527,915	7,948,637	441,315
	<u>\$ 63,006,507</u>	<u>\$ 10,919,605</u>	<u>\$ 27,328,981</u>	<u>\$ 21,827,881</u>	<u>\$ 2,930,040</u>

Of the above balances, \$2,358,273 of corporate securities was callable.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Foreign Currency Risk. Foreign currency risk is the risk that significant fluctuations in exchange rates may adversely affect the fair value of an investment. The System's exposure to foreign currency risk is summarized as follows:

<u>Investment/Country</u>	<u>Currency</u>	<u>Fair Value (USD)</u>
Foreign government bonds		
Australia	Australian dollar	\$1,171,457
United Kingdom	British pound	433,320
Canada	Canadian dollar	1,761,939
New Zealand	New Zealand dollar	212,817
		<u>613,144</u>
		<u>5,425,814</u>
International equities		
Canada	Canadian dollar	2,856,126
Cayman Islands	Cayman Islands dollar	1,333,100
Bermuda	Bermudian dollar	1,308,684
Netherlands	European euro	589,205
Portugal	European euro	506,268
Germany	European euro	481,003
Spain	European euro	424,042
Luxembourg	European euro	283,001
United Kingdom	British pound	277,206
Japan	Japanese yen	266,143
Switzerland	Swiss franc	262,614
Sweden	Swedish krona	239,239
France	European euro	234,274
Israel	Israeli new shekel	155,405
Brazil	Brazilian real	<u>121,111</u>
		<u>9,337,421</u>
Total		<u>\$14,763,235</u>

In addition, as part of a foreign currency overlay plan in conjunction with the foreign government bonds, the System has entered into certain forward contracts (derivatives) to reduce overall portfolio volatility caused by foreign currency risk.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Following is a summary of these forward contracts, for which a liability in the amount of \$142,944 as of December 31, 2005, representing the fair value of those contracts, has been reported in the accompanying statements of plan net assets:

<u>Investment/Currency</u>	<u>Maturity Date</u>	Receivable (Payable) <u>[in U.S. dollars]</u>
Australian dollars payable	01/27/06	\$ (1,160,903)
European euros payable	01/27/06	(724,111)
European euros payable	02/17/06	(489,642)
Japanese yen payable	02/16/06	2,780,057
Japanese yen payable	02/17/06	479,369
New Zealand dollars payable	01/27/06	(376,393)
United States dollars payable	02/16/06	(2,970,000)
United States dollars receivable	01/27/06	<u>2,318,679</u>
Net contracts receivable (payable)		<u>\$ (142,944)</u>

Securities Lending. A contract approved by the System's Board of Directors, permits the System to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives securities or irrevocable bank letters of credit as collateral. The collateral securities cannot be pledged or sold by the System unless the borrower defaults. Collateral securities and letters of credit are initially pledged at 102 percent of the market value of the securities lent, and may not fall below 100 percent during the term of the loan. There are no restrictions on the amount of securities that can be loaned.

Securities on loan at year-end are classified in the preceding schedule according to the category for the collateral received on the securities lent. At year end, the System has no credit risk exposure to borrowers because the amounts the System owes the borrowers exceed the amounts the borrowers owe the System. The contract with the System's custodian requires it to indemnify the System if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Retiree Health Insurance Fund Investments

The Retiree Health Insurance Fund (RHIF) investments are similarly governed by Public Act 314 of 1965 and follow the investment policies of the Employees' Retirement System, although the RHIF is independent of the System. The RHIF's investments are held by an independent investment management company.

Following is a summary of the RHIF's investments as of December 31, 2005:

Investments at fair value, as determined
by quoted market prices:

U.S. treasuries	\$ 917,914
U.S. agencies	2,068,863
Corporate bonds	2,550,699
Domestic equities	7,284,776
Money market funds	<u>433,179</u>
Total investments	<u>\$ 13,255,431</u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The RHIF's investment policy emphasizes appropriate risk/return parameters and compliance with Public Act 314, and gives discretionary authority to its investment managers as opposed to establishing specific credit rating benchmarks. As of December 31, 2005, the RHIF's investments in debt securities were rated by Standard & Poor's as follows:

<u>Rating</u>	<u>U.S. agencies</u>	<u>Corporate bonds</u>
AAA	\$ 1,830,612	\$ 245,421
AA-	238,251	185,787
A+	-	990,996
A	-	540,212
A-	-	329,537
BBB+	-	138,538
BBB	-	120,208
	<u>\$ 2,068,863</u>	<u>\$ 2,550,699</u>

United States treasury securities are explicitly guaranteed by the U.S. government and not considered to have credit risk. The RHIF's investments in money market funds are not rated.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the RHIF will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The RHIF's investment policy requires that securities be held in trust by a third-party institution in the RHIF's name or its nominee custodian's name or in bearer form. Although uninsured and unregistered, the RHIF's investments are not exposed to custodial credit risk since the securities are held by the counterparty's trust department or agent in the RHIF's name. Short-term investments in money market funds and open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book form.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the RHIF's investment in a single issuer. The RHIF's investment policy requires that no manager will hold more than 5% of its portion of the total fund in any single company and no more than 5% may be held in any single common stock. At December 31, 2005 the RHIF's investment portfolio was concentrated as follows:

<u>Investment Type</u>	<u>Issuer</u>	<u>% of Portfolio</u>
U.S. agencies	Federal National Mortgage Association	6.2%
	Federal Home Loan Mortgage Corporation	5.6%

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The RHIF's investment policy does not discuss the maximum maturity for any single fixed income security or the weighted average portfolio maturity.

As of December 31, 2005, maturities of the RHIF's debt securities were as follows:

	<u>Fair Value</u>	<u>Investment Maturities (fair value by years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
U.S. treasuries	\$ 917,914	\$ -	\$ 917,914	\$ -	\$ -
U.S. agencies	2,068,863	396,185	795,957	558,795	317,926
Corporate bonds	2,550,699	300,311	1,288,455	903,091	58,842
	<u>\$ 5,537,476</u>	<u>\$ 696,496</u>	<u>\$ 3,002,326</u>	<u>\$ 1,461,886</u>	<u>\$ 376,768</u>

Of the above balances, \$247,047 of U.S. agencies securities was callable.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2005

NOTE E - RECEIVABLES

Receivables in the governmental activities are as follows:

Accounts	\$ 101,751
Current taxes	21,657,260
Other agencies and governments	<u>2,684,381</u>
Total	<u>\$24,443,392</u>

Receivables for the business-type activities are composed of amounts due from taxpayers for delinquent taxes and related interest and collections fees; and loans receivable for housing rehabilitation programs.

Governmental funds report deferred revenue in connection with receivables that are not available to liquidate liabilities of the current period, and with resources that have been received, but not earned. At year end, deferred revenue reported in the governmental funds, and the unearned revenue in the governmental activities based on the nature of the respective items, was comprised of the following:

Property taxes receivable (General Fund)	\$ 9,724,193
Property taxes receivable (Restricted Fund)	<u>3,492,472</u>
	<u>\$13,216,665</u>

NOTE F - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of December 31, 2005, is as follows:

	<u>Receivable</u>	<u>Payable</u>
<u>Due to/from other funds</u>		
General fund	\$ -	\$ 425,628
Federal prisoner housing fund	96,500	622,000
Nonmajor governmental funds	1,168,128	217,000
Internal service funds	<u>130,000</u>	<u>130,000</u>
Total	<u>\$1,394,628</u>	<u>\$1,394,628</u>
<u>Advances to/from other funds</u>		
General fund	\$200,000	\$ -
Nonmajor governmental fund	270,629	50,000
Internal service funds	<u>-</u>	<u>420,629</u>
Total	<u>\$470,629</u>	<u>\$470,629</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

	<u>Receivable</u>	<u>Payable</u>
<u>Due to/from primary government and component units</u>		
Primary government - nonmajor enterprise fund	\$44,862	\$ -
Component unit - Drain Commission	<u>-</u>	<u>44,862</u>
Total	<u>\$44,862</u>	<u>\$44,862</u>
 <u>Advances to/from primary government and component units</u>		
Primary government - General fund	\$600,000	\$ -
Component unit - Drain Commission	<u>-</u>	<u>600,000</u>
Total	<u>\$600,000</u>	<u>\$600,000</u>

The County reports interfund balances between many of its funds. The sum of all balances presented in the tables above agrees with the sum of interfund balances presented in the basic financial statements. These interfund balances resulted primarily from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund advances are provided for working capital, and are long-term in nature.

A summary of interfund transfers for the year ended December 31, 2005 is as follows:

<u>Transfers in:</u>					
<u>Transfers out:</u>	<u>General Fund</u>	<u>County Health Fund</u>	<u>Federal Prisoner Housing Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General fund	\$ -	\$1,396,619	\$1,470,434	\$6,008,558	\$ 8,875,611
County health fund	-	-	-	81,700	81,700
Revenue sharing reserve fund	2,564,652	-	-	-	2,564,652
Nonmajor governmental funds	182,082	-	-	1,133,648	1,315,730
Delinquent tax revolving fund	550,000	-	-	595,000	1,145,000
Internal service funds	<u>640,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,000</u>
Total	<u>\$3,936,734</u>	<u>\$1,396,619</u>	<u>\$1,470,434</u>	<u>\$7,818,906</u>	<u>\$14,622,693</u>

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; and (3) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service funds as debt service payments become due.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

NOTE G - CAPITAL ASSETS

Primary Government

Capital asset activity of the primary government for the year ended December 31, 2005 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 105,000	\$ -	\$ -	\$ 105,000
Construction in progress	<u>660,528</u>	<u>-</u>	<u>660,528</u>	<u>-</u>
Total capital assets, not being depreciated	<u>765,528</u>	<u>-</u>	<u>660,528</u>	<u>105,000</u>
Capital assets, being depreciated:				
Land improvements	520,137	-	-	520,137
Buildings and improvements	48,881,693	91,600	-	48,973,293
Machinery and equipment	11,265,587	2,384,920	683,677	12,966,830
Vehicular equipment	<u>2,028,915</u>	<u>288,507</u>	<u>290,841</u>	<u>2,026,581</u>
Total capital assets being depreciated	<u>62,696,332</u>	<u>2,765,027</u>	<u>974,518</u>	<u>64,486,841</u>
Less accumulated depreciation for:				
Land improvements	296,247	30,963	-	327,210
Buildings and improvements	28,318,065	1,336,716	-	29,654,781
Machinery and equipment	2,717,703	1,210,902	683,677	3,244,928
Vehicular equipment	<u>1,262,924</u>	<u>264,331</u>	<u>193,408</u>	<u>1,333,847</u>
Total accumulated depreciation	<u>32,594,939</u>	<u>2,842,913</u>	<u>877,085</u>	<u>34,560,766</u>
Total capital assets being depreciated, net	<u>30,101,393</u>	<u>(77,885)</u>	<u>97,433</u>	<u>29,926,075</u>
Governmental activities capital assets, net	<u>\$30,866,921</u>	<u>\$ (77,885)</u>	<u>\$ 757,961</u>	<u>\$30,031,075</u>
Business-type activities:				
Capital assets, being depreciated – machinery and equipment	\$352,926	\$ -	\$ 30,143	\$322,783
Less accumulated depreciation for –machinery and equipment	<u>304,094</u>	<u>17,439</u>	<u>30,143</u>	<u>291,390</u>
Business-type activities capital assets, net	<u>\$ 48,832</u>	<u>\$(17,439)</u>	<u>\$ -</u>	<u>\$ 31,393</u>

Depreciation expense was charged to functions or programs of the primary government as follows:

Governmental activities:	
General government	\$ 971,815
Public safety	1,511,060
Public works	4,560
Health and welfare	162,693
Recreation and culture	133,207
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>59,578</u>
Total depreciation expense-governmental activities	<u>\$2,842,913</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Discretely Presented Component Units

Capital asset activity for the discretely presented component units for fiscal 2005 was as follows:

Monroe County Road Commission

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 731,812	\$ 15,000	\$ -	\$ 746,812
Land improvements - infrastructure	<u>11,329,509</u>	<u>987,025</u>	<u>-</u>	<u>12,316,534</u>
	<u>12,061,321</u>	<u>1,002,025</u>	<u>-</u>	<u>13,063,346</u>
Capital assets, being depreciated:				
Land improvements	141,318	7,660	-	148,978
Buildings	4,173,135	1,759	-	4,174,894
Equipment and storage	11,000,244	642,984	374,989	11,268,239
Infrastructure	<u>130,789,864</u>	<u>12,182,132</u>	<u>-</u>	<u>142,971,996</u>
	<u>146,104,561</u>	<u>12,834,535</u>	<u>374,989</u>	<u>158,564,107</u>
Less accumulated depreciation for:				
Land improvements	47,666	10,796	-	58,462
Buildings	1,513,874	192,946	-	1,706,820
Equipment and storage	8,164,298	784,410	337,686	8,611,022
Infrastructure	<u>58,750,808</u>	<u>7,260,612</u>	<u>-</u>	<u>66,011,420</u>
Total accumulated depreciation	<u>68,476,646</u>	<u>8,248,764</u>	<u>337,686</u>	<u>76,387,724</u>
Total capital assets being depreciated-net	<u>77,627,915</u>	<u>4,585,771</u>	<u>37,303</u>	<u>82,176,383</u>
Road Commission capital assets - net	<u>\$ 89,689,236</u>	<u>\$ 5,587,796</u>	<u>\$ 37,303</u>	<u>\$ 95,239,729</u>

Community Mental Health Authority

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Capital assets, being depreciated:				
Building and improvements	693,832	-	-	693,832
Equipment and furnishings	796,550	291,400	-	1,087,950
Vehicular equipment	752,941	-	161,461	591,480
Capital lease obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets being depreciated	2,243,323	291,400	161,461	2,373,262
Less accumulated depreciation	<u>1,414,080</u>	<u>158,960</u>	<u>152,549</u>	<u>1,420,491</u>
Capital assets being depreciated, net	<u>829,243</u>	<u>132,440</u>	<u>8,912</u>	<u>952,771</u>
Community Mental Health capital assets, net	<u>\$ 883,243</u>	<u>\$ 132,440</u>	<u>\$ 8,912</u>	<u>\$1,006,771</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Monroe County Library System

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Library collections	<u>\$7,459,115</u>	<u>\$682,727</u>	<u>\$230,976</u>	<u>\$7,910,866</u>
Capital assets, being depreciated:				
Building improvements	329,478	3,316	-	332,794
Equipment and fixtures	763,294	143,690	-	906,984
Vehicular equipment	<u>91,137</u>	<u>27,750</u>	<u>-</u>	<u>118,887</u>
Total capital assets being depreciated	1,183,909	174,756	-	1,358,665
Less accumulated depreciation	<u>457,358</u>	<u>162,294</u>	<u>-</u>	<u>619,652</u>
Capital assets being depreciated, net	<u>726,551</u>	<u>12,462</u>	<u>-</u>	<u>739,013</u>
Monroe County Library System capital assets, net	<u>\$8,185,666</u>	<u>\$695,189</u>	<u>\$230,976</u>	<u>\$8,649,879</u>

Monroe County Drain Commission

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements - infrastructure	\$ 28,473,182	\$ 3,804,809	\$ -	\$ 32,277,991
Less accumulated depreciation for:				
Land improvements - infrastructure	<u>8,421,391</u>	<u>448,843</u>	<u>-</u>	<u>8,870,234</u>
Drain Commission capital assets - net	<u>\$20,051,791</u>	<u>\$ 3,355,966</u>	<u>\$ -</u>	<u>\$23,407,757</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

County Agency Component Unit

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, being depreciated:				
Building and building improvements	\$ 208,821	\$ -	\$ 3,874	\$ 204,947
Equipment	190,840	2,215	275	192,780
Vehicles	<u>444,140</u>	<u>-</u>	<u>-</u>	<u>444,140</u>
	843,801	2,215	4,149	841,867
Less accumulated depreciation	<u>747,850</u>	<u>(48,773)</u>	<u>2,051</u>	<u>794,572</u>
Governmental activities capital assets, net	<u>95,951</u>	<u>(46,558)</u>	<u>2,098</u>	<u>47,295</u>
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	471,457	2,082,264	294,466	2,259,255
Land and rights of way	<u>172,557</u>	<u>-</u>	<u>-</u>	<u>172,557</u>
Total capital assets, not being depreciated	644,014	2,082,264	294,466	2,431,812
Capital assets, being depreciated:				
Utility plant in service	24,315,675	465,755	-	24,781,430
Building and building improvements	390,871	7,000	-	397,871
Equipment	214,831	24,495	1,299	238,027
Vehicles	<u>321,099</u>	<u>-</u>	<u>-</u>	<u>321,099</u>
Total capital assets, being depreciated	25,242,476	497,250	1,299	25,738,427
Less accumulated depreciation	<u>8,326,171</u>	<u>484,269</u>	<u>1,299</u>	<u>8,809,141</u>
Total capital assets, being depreciated, net	<u>16,916,305</u>	<u>12,981</u>	<u>-</u>	<u>16,929,286</u>
Business-type activities capital assets, net	<u>17,560,319</u>	<u>2,095,245</u>	<u>294,466</u>	<u>19,361,098</u>
County Agency capital assets, net	<u>\$17,656,270</u>	<u>\$2,048,687</u>	<u>\$296,564</u>	<u>\$19,408,393</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

NOTE H - LONG-TERM DEBT

Primary Government

A summary of primary government long-term liabilities activity is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Monroe County Building Authority 1990 General Obligation Limited Tax Bonds, maturing in 2006, interest rate at 6.5 percent.	\$350,000	\$ -	\$175,000	\$175,000	\$175,000
Monroe County Building Authority 1994 Refunding General Obligation Unlimited Tax Bonds, maturing in 2006, interest rate at 5.0 percent.	1,205,000	-	595,000	610,000	610,000
Monroe County Building Authority 1998 General Obligation Limited Tax Bonds, maturing serially through 2008 in annual amounts ranging from \$200,000 to \$250,000, at interest rates ranging from 4.35 percent to 4.5 percent.	900,000	-	400,000	500,000	200,000
Monroe County Building Authority 1998B General Obligation Limited Tax Bonds, maturing serially through 2018 in annual amounts ranging from \$325,000 to \$600,000, at interest rates ranging from 4.0 percent to 6.0 percent.	<u>6,120,000</u>	<u>-</u>	<u>310,000</u>	<u>5,810,000</u>	<u>325,000</u>
Subtotal	8,575,000	-	1,480,000	7,095,000	1,310,000
Installment loan agreement payable to LaSalle Bank owned by ABN-AMRO Bank N.V. for interoperable communications equipment for public safety agencies, dated July 24, 2004 for 60 months at \$361,349.70 semi-annually, and interest rate of 3.71 percent.	2,969,939	-	618,196	2,351,743	641,344
Compensated absences due within one year	<u>1,278,429</u>	<u>1,306,225</u>	<u>1,278,429</u>	<u>1,306,225</u>	<u>1,306,225</u>
Total general county long-term liabilities	<u>\$12,823,368</u>	<u>\$1,306,225</u>	<u>\$3,376,624</u>	<u>\$10,752,969</u>	<u>\$3,257,569</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

Annual debt service requirements to maturity for general obligation bonds and notes are as follows:

<u>Year Due</u>	<u>1990 Issue</u>		<u>1994 Issue*</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	<u>\$175,000</u>	<u>\$ 5,688</u>	<u>\$610,000</u>	<u>\$15,250</u>

<u>Year Due</u>	<u>1998 Issue</u>		<u>1998B Issue</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$200,000	\$17,775	\$325,000	\$240,090
2007	250,000	7,812	340,000	220,140
2008	50,000	1,125	360,000	200,670
2009	-	-	375,000	183,900
2010	-	-	395,000	168,500
2011-2015	-	-	2,305,000	582,100
2016-2018	<u>-</u>	<u>-</u>	<u>1,710,000</u>	<u>105,000</u>
Total	<u>\$500,000</u>	<u>\$26,712</u>	<u>\$5,810,000</u>	<u>\$1,700,400</u>

<u>Year Due</u>	<u>Annual Total</u>		<u>2004 Loan Annual Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$1,310,000	\$360,159	\$641,344	\$81,356
2007	590,000	285,293	665,357	57,341
2008	410,000	234,222	690,272	32,427
2009	375,000	190,481	354,770	6,581
2010	395,000	168,500	-	-
2011-2015	2,305,000	582,100	-	-
2016-2018	<u>1,710,000</u>	<u>105,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,095,000</u>	<u>\$1,925,755</u>	<u>\$ 2,351,743</u>	<u>\$177,705</u>

*The City of Monroe has agreed, through contractual agreement, to pay 6.49 percent of the 1994 Bond Issue principal and interest which financed the Adult Detention and Law Enforcement Center.

Discretely Presented Component Units

Long-term debt activity for the discretely presented component units for fiscal 2005 was as follows:

Monroe County Road Commission

The compensated absences liability represents the estimated liability to be paid to employees under the Road Commission's leave policies. Under the Road Commission's policy, all employees are eligible for paid leave in varying amounts based on

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

time of service with the Road Commission. The estimated compensated absence liability as of December 31, 2005 is \$565,224.

The debt of the Road Commission is summarized as follows:

	Interest Rate	Maturing Through	Principal Outstanding
1999 Michigan Transportation Fund Bonds, Series 1999	4.50%-5.00%	2012	\$1,470,000
2002 Michigan Transportation Fund Notes, Series 2002	3.25%-4.00%	2012	2,450,000
2005 Michigan Transportation Fund Bonds, Series 2005	3.00%-3.85%	2017	2,200,000
2005 Michigan Transportation Fund Notes, Series 2005	3.80%	2010	750,000
Installment lease purchase agreements	4.00%-8.00%	2008	446,533
Installment debt – State audits	0%	2006	<u>123,225</u>
Total bonded and other contractual indebtedness			<u>\$7,439,758</u>

Bonds payable include the following:

The 1999 and 2005 Michigan Transportation Fund Bonds were issued by the County of Monroe, Michigan on behalf of the Road Commission. The Road Commission is a co-signer on these bond agreements and is solely responsible for the repayment of these bonds.

The 2002 and 2005 Michigan Transportation Fund Notes have been issued in accordance with the statutory requirements of Michigan Public Act 143 of 1943, as amended. The financing from these notes will be used to fund improvements on county highways.

The installment lease purchase agreements consist of multi-equipment obligations, including two Cat loaders, two Cat graders and an asphalt trailer.

The installment debt consists of amounts owed for previous audits of the state trunkline maintenance contracts.

Changes in long-term debt:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
1999 Michigan Transportation Fund Bonds, Series 1999	\$1,645,000	\$ -	\$175,000	\$1,470,000	\$ 180,000
2002 Michigan Transportation Fund Notes, Series 2002	2,800,000	-	350,000	2,450,000	350,000
2005 Michigan Transportation Fund Bonds, Series 2005	-	2,200,000	-	2,200,000	100,000
2005 Michigan Transportation Fund Notes, Series 2005	-	750,000	-	750,000	150,000
Installment lease purchase agreements	470,369	53,500	77,336	446,533	110,906
Installment agreements – State audit	423,591	-	300,366	123,225	123,225
Compensated absences	<u>541,735</u>	<u>30,566</u>	<u>7,077</u>	<u>565,224</u>	<u>35,000</u>
Totals Road Commission	<u>\$5,880,695</u>	<u>\$3,034,066</u>	<u>\$909,779</u>	<u>\$8,004,982</u>	<u>\$1,049,131</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Annual debt service requirements to maturity for the lease purchase agreements and bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$1,014,131	\$297,942	\$1,312,073
2007	912,182	247,323	1,159,505
2008	1,113,445	213,548	1,326,993
2009	860,000	170,483	1,030,483
2010	920,000	135,915	1,055,915
2011-2015	2,170,000	259,675	2,429,675
2016-2017	<u>450,000</u>	<u>26,750</u>	<u>476,750</u>
Total	<u>\$7,439,758</u>	<u>\$1,351,636</u>	<u>\$8,791,394</u>

Interest expense paid by the Road Commission for the year ended December 31, 2005 approximated \$207,000.

Community Mental Health Authority

Changes in long-term debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	\$210,237	\$223,496	\$210,237	\$223,496	\$223,496
Capital leases	<u>23,865</u>	<u>-</u>	<u>5,469</u>	<u>18,396</u>	<u>5,966</u>
Total Community Mental Health Authority	<u>\$234,102</u>	<u>\$223,496</u>	<u>\$215,706</u>	<u>\$241,862</u>	<u>\$229,462</u>

Operating Leases

The Authority has entered into various operating leases for the use of real and personal property. Operating leases do not give rise to property rights or lease obligations, and therefore, the lease agreements are not reflected in the government-wide financial statements or the fund financial statements. At September 30, 2005, the Authority was committed, subject to cancellation provisions, for rental payments under operating leases as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2006	\$468,460
2007	53,856
2008	5,966
2009	<u>994</u>
Total	<u>\$529,276</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Monroe County Library System

Changes in long-term debt:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	<u>\$234,191</u>	<u>\$258,929</u>	<u>\$234,191</u>	<u>\$258,929</u>	<u>\$129,000</u>

Monroe County Drain Commission

The debt of the Drain Commission component unit is summarized as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Big Swan Creek Inter-county Drainage District Notes, Series 1995B, dated October 5, 1995, maturing serially through 2005 in annual amounts of \$9,200 and at an interest rate of 4.95 percent. The Inter-county Drainage District is located in the Counties of Monroe, Washtenaw, and Wayne with Monroe County's portion being 100 percent of the principal and interest requirements for this issue.	\$ 9,200	\$ -	\$ 9,200	\$ -	\$ -
Monroe Consolidated Drainage District Bonds dated June 1, 1996, maturing serially through 2016 in annual amounts ranging from \$30,000 to \$115,000 and at interest rates ranging from 5.4 percent to 6.0 percent. The County is obligated if special assessments levied against benefiting entities are insufficient to meet principal and interest requirements when due. Outstanding special assessments at December 31, 2005 was \$10,675.	1,000,000	-	55,000	945,000	60,000
2002 Drainage District Notes Payable	20,333	-	20,333	-	-
2003 Drainage District Notes Payable	42,400	-	10,600	31,800	10,600
2004 Drainage District Notes Payable	427,000	-	363,500	63,500	63,500
2005 Drainage District Notes Payable	<u>-</u>	<u>311,000</u>	<u>-</u>	<u>311,000</u>	<u>175,500</u>
Total Drain Commission	<u>\$1,498,933</u>	<u>\$ 311,000</u>	<u>\$458,633</u>	<u>\$1,351,300</u>	<u>\$309,600</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

Annual debt service requirements to maturity for Drain Commission bonds and notes are as follows:

Year <u>Due</u>	<u>Monroe Consolidated District</u>		<u>2003 Drainage District Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$60,000	\$53,731	\$10,600	\$900
2007	65,000	50,261	10,600	600
2008	70,000	46,446	10,600	301
2009	75,000	42,257	-	-
2010	80,000	37,713	-	-
2011-2015	480,000	109,582	-	-
2016	<u>115,000</u>	<u>3,450</u>	<u>-</u>	<u>-</u>
Total	<u>\$945,000</u>	<u>\$343,440</u>	<u>\$31,800</u>	<u>\$1,801</u>

Year <u>Due</u>	<u>2004 Drainage District Notes</u>		<u>2005 Drainage District Notes</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$63,500	\$1,326	\$175,500	\$8,052
2007	<u>-</u>	<u>-</u>	<u>135,500</u>	<u>3,776</u>
Total	<u>\$ 63,500</u>	<u>\$1,326</u>	<u>\$311,000</u>	<u>\$11,828</u>

Year <u>Due</u>	<u>Annual Total</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$309,600	\$64,009
2007	211,100	54,637
2008	80,600	46,747
2009	75,000	42,257
2010	80,000	37,713
2011-2015	480,000	109,582
2016	<u>115,000</u>	<u>3,450</u>
Total	<u>\$1,351,300</u>	<u>\$358,395</u>

The Townships of Bedford, LaSalle and Frenchtown have pledged their full faith and credit to pay the principal and interest on these bonds.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

County Agency Component Unit

Compensated absences for employees of the County Agency are governed by the County of Monroe employment policies as they pertain to vacation and sick days. As of December 31, 2005, the accrued compensated absences due within one year included \$87,856 accrued vacation and sick pay.

The County has issued general obligation bonds for various waterworks and sewage disposal systems under Act 342, P.A. 1939, as amended. These bonds are supported by a pledge of the County's full faith and credit as well as by the various local units which make payments through contractual agreements with the County to meet the principal and interest of these bonds, but title will pass to the local unit when the debt is retired.

The following is a summary of changes in long-term debt:

Governmental activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds issued	\$52,939,083	\$1,385,917	\$3,910,000	\$50,415,000	\$3,820,000
Compensated absences	<u>89,392</u>	<u>87,856</u>	<u>89,392</u>	<u>87,856</u>	<u>87,856</u>
Total governmental activities	<u>\$53,028,475</u>	<u>5,383,773</u>	<u>\$89,392</u>	<u>\$50,502,856</u>	<u>\$3,907,856</u>

Business-type activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds issued	\$420,000	\$4,400,000	\$ 420,000	\$4,400,000	\$100,000
Unamortized bond discount	<u>3,000</u>	<u>42,955</u>	<u>3,505</u>	<u>42,450</u>	<u>-</u>
Total business-type activities	<u>\$423,000</u>	<u>4,442,450</u>	<u>\$423,000</u>	<u>\$4,442,450</u>	<u>\$100,000</u>

The annual requirements to pay principal and interest on the long-term debt outstanding at December 31, 2005, excluding

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2005

compensated absences, are as follows:

Governmental Activities

<u>Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2006	\$ 3,820,000	\$ 2,066,883	\$ 5,886,883
2007	3,965,000	1,906,111	5,871,111
2008	3,900,000	1,735,798	5,635,798
2009	3,745,000	1,572,604	5,317,604
2010	3,545,000	1,418,741	4,963,741
2011 to 2015	14,005,000	5,074,913	19,079,913
2016 to 2020	10,175,000	2,779,221	12,954,221
2021 to 2025	5,830,000	942,498	6,772,498
2026 to 2030	<u>1,430,000</u>	<u>118,432</u>	<u>1,548,432</u>
	<u>\$50,415,000</u>	<u>\$17,615,201</u>	<u>\$68,030,201</u>

Business-type Activities

<u>Year Due</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$100,000	\$190,621	\$290,621
2007	140,000	158,940	298,940
2008	145,000	153,952	298,952
2009	155,000	148,703	303,703
2010	160,000	143,190	303,190
2011 to 2015	945,000	622,588	1,567,588
2016 to 2020	1,210,000	427,458	1,637,458
2021 to 2025	<u>1,545,000</u>	<u>159,960</u>	<u>1,704,960</u>
	<u>\$4,400,000</u>	<u>\$2,005,412</u>	<u>\$6,405,412</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

NOTE I - PENSION PLAN

Plan Description

The Monroe County Employees Retirement Plan (the Plan) is a single-employer defined benefit pension plan administered by the Monroe County Employees Retirement System Board of Trustees (the Board). The Plan covers substantially all full-time employees of the County and discretely presented component units. The Plan was adopted and established by Monroe County in accordance with Michigan Compiled Laws, Section 46.12a.

The Plan provides retirement, deferred allowance, disability and death benefits to plan members and their beneficiaries in accordance with the County's retirement plan ordinance. The Plan also provides retiree health care benefits to the employees of the Monroe County Library. All other covered employees receive retiree health care benefits through a separate plan (See Note J). Benefit provisions are established and may be amended by the Board.

The Monroe County Employees Retirement System's financial statements are included in the financial statements of Monroe County as a pension trust fund. A separate, publicly available financial report that includes financial statements and required supplementary information is also issued. That report may be obtained by writing to the Monroe County Employees Retirement System, 125 East Second Street, Monroe, Michigan 48161-2197.

Basis of Accounting

The Monroe County Employees Retirement System's financial statements are prepared using the accrual basis of accounting in accordance with Governmental Accounting Standards Board (GASB) Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and Statement No. 26, "Financial Reporting for Postemployment Health Care Plan Administered by Defined Benefit Pension Plans." Plan contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Funding Policy

Plan employers (General County, Monroe County Library, Monroe County Road Commission, Monroe County Drain Commission, County Agency, and Monroe County Mental Health Authority) are required to make periodic contributions that are expressed as percentages of their annual covered payrolls. These contributions are determined as part of an actuarial valuation, using the entry age normal cost method, and are designed to accumulate sufficient assets to pay benefits when due. Normal cost is funded on a current basis. Unfunded and overfunded actuarial accrued liabilities are being amortized as a level percent of payroll over periods ranging from 7 to 15 years depending on plan employer. Significant actuarial assumptions used include (a) a 7.0 percent investment rate of return, (b) projected salary increases ranging from 5.0 percent to 12.0 percent per year, and (c) no cost of living adjustments other than 4.5 percent for certain County Road Commission members. Both (a) and (b) include an inflation component of 4.0 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period.

Plan members may also be required to contribute up to 5.0 percent of their covered salary, depending on the bargaining unit. Employees of the Monroe County Road Commission contribute 3.1 percent of their annual earnings. Employees of the Sheriff (consisting of deputies, command officers, jail and corrections officers) and Central Dispatch departments contribute 3.0 percent of the first \$7,800 in earnings and 5.0 percent of all earnings thereafter. All other General County employees, along with the employees of the Library System, Drain Commission, County Agency and Mental Health Authority, are not required to contribute.

The funding requirements for the Monroe County Employees Retirement Plan are established and may be amended by the Monroe County Employees Retirement System Board of Trustees.

Annual Pension Cost

For the year ended December 31, 2005, contributions, with the rate of annual covered payroll by class of employee, were made as follows (based on actuarial valuation as of December 31, 2003):

Employer Contributions:

General County – Central Dispatch	\$	153,070	15.50%
General County – Sheriff		857,545	9.06%
General County – Other		495,845	3.42%
Monroe County Road Commission		<u>527,762</u>	10.73%
		<u>\$2,034,222</u>	

Employee Contributions (includes purchase of service time):

General County – Sheriff	\$	155,276
General County – Central Dispatch		11,019
General County – Other		7,829
Monroe County Road Commission		<u>155,023</u>
		<u>\$ 329,147</u>

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Three-Year Trend Information

<u>Year Ended</u> <u>December 31,</u>	<u>Annual Pension</u> <u>Cost (ARC)</u>	<u>Percentage</u> <u>of ARC</u> <u>Contributed</u>
2003	\$ 191,979	100%
2004	1,411,037	100%
2005	2,034,222	100%

Schedule of Funding Progress

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value</u> <u>of Assets</u> <u>(a)</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u> <u>(AAL)</u> <u>(b)</u>	<u>Overfunded AAL</u> <u>(OAAL)</u> <u>(a-b)</u>	<u>Funded</u> <u>Ratio</u> <u>(a/b)</u>	<u>Covered</u> <u>Payroll</u> <u>(c)</u>	<u>OAAL as a</u> <u>Percentage of</u> <u>Covered</u> <u>Payroll</u> <u>((a-b)/c)</u>
12/31/02	\$148,404,995	\$125,652,447	\$22,752,548	118.1%	\$35,895,185	63.4%
12/31/03	162,683,115	139,141,015	23,542,100	116.9%	37,862,618	62.2%
12/31/04	162,725,639	150,510,011	12,215,628	108.1%	38,712,508	31.6%

Note: Values take into account all System benefits except retiree health care benefits.

NOTE J - POSTEMPLOYMENT BENEFITS

Monroe County provides certain postemployment health care benefits and a \$4,000 term-life insurance policy, in accordance with labor contracts and personnel policies, to all employees who retire from the County. Full medical benefits are provided to retired employees and to employee's spouses on a pro rata basis based on years of service for employees. To qualify, an employee must meet the requirements for retirement benefits pursuant to the Monroe County Employees Retirement System. Certain Sheriff Department union agreements provide that employees with 25 service years may retire at age 50 at which time these benefits would be provided. When the retired employee attains the age of 65 years, the employer's contribution is supplementary to Medicare Part B. "Retirees," as specified, include all County retirees except Road Commission employees. Effective October 28, 2003, newly hired employees are not eligible for postemployment health care benefits.

The County's accounting for postemployment health insurance is maintained as a separate other employee benefit trust fund. Funding for the related expenditures is allocated from all County funds that incur payroll costs. The funding level is approximately 17.15 percent of the total payroll. This percent was actuarially derived and designed to fund retirement health insurance on a pay-as-you-go basis. As of December 31, 2004, the actuarially computed unfunded accrued liability was \$50,749,809.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

As of December 31, 2005, 227 retirees meet the requirements and were receiving the 100 percent premium-coverage benefit. In addition, 30 retirees were contributing to their health care premiums. The County finances the plan on a pay-as-you go basis. For the year ended December 31, 2005, expenditures of \$2,292,392 were recognized for postemployment health care.

The Road Commission provides postemployment health and life insurance benefits in accordance with labor contracts and personnel policies to all employees who retire under the provisions of the contract. Currently, 71 retirees met those eligibility requirements. Expenditures for postemployment health care benefits are recognized when insurance premiums are paid. Premiums paid by the Road Commission in 2005 amounted to approximately \$723,000, net of approximately \$44,000 reimbursed by the retirants.

NOTE K - RISK MANAGEMENT

Monroe County and its component units are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has self-insurance plans for workers' compensation, unemployment, dental care, health care, and disability coverage. Each participating fund of the County makes payments to the respective internal service fund equal to an established percentage of gross salaries for that fund. These payments are accounted for as other employee benefits in the paying fund and charges for services revenue in the receiving fund. The County has established liabilities for incurred but not reported claims (IBNR) in the worker's compensation, health care, dental care, unemployment, and long-term disability funds. Historical data was used as a basis for the development of the IBNR liabilities.

In 2005, there were no significant reductions in insurance coverage from prior year levels by major categories of risk. Also, there have been no settlements that exceeded insurance coverage during each of the past three fiscal years.

Worker's compensation self-insurance plan - The County has a self-insurance program for worker's compensation accounted for in a separate internal service fund. An independent third party administrator processes the daily claims and performs internal control and management duties. Currently, the County self-insures \$550,000 in liability for each occurrence and purchases excess insurance through various reinsurance companies, for up to \$5,000,000 per occurrence. The fund has net assets of \$238,835 at December 31, 2005. The changes in estimated claims liability are as follows:

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	End of Year <u>Liability</u>
2004	\$340,986	\$252,091	\$346,938	\$246,139
2005	246,139	253,791	387,606	112,324

Health care self-insurance plan - The County offers health care options through two health maintenance organizations (HMOs), a preferred provider organization (PPO), or traditional coverage with Blue Cross Blue Shield. A separate internal service fund is used to account for health care self-insurance plan activities. The revenues for this fund's operation are charges to various funds and employee payroll withholdings. The fund has net assets of \$1,993,605 at December 31, 2005. The changes in the estimated claims liability are as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	End of Year <u>Liability</u>
2004	\$1,298,757	\$6,292,670	\$7,866,698	\$275,271
2005	275,271	6,145,908	6,150,507	270,672

Dental care self-insurance plan - The County has a self-insured plan for dental care coverage accounted for in a separate internal service fund. An independent administrator processes the daily claims and performs management duties. Benefits under the program are capped at \$800 per covered person annually. The revenues for this fund's operation are charges to various funds and payroll withholdings. The fund has net assets of \$132,328 at December 31, 2005. The changes in the estimated claims liability are as follows:

	Beginning of Year <u>Liability</u>	Current Year Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	End of Year <u>Liability</u>
2004	\$ 3,176	\$466,066	\$436,761	\$32,481
2005	32,481	383,059	373,307	42,233

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Unemployment self-insurance plan - The County is self-insured for unemployment and uses a separate internal service fund to account for unemployment claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2004	\$5,059	\$11,785	\$15,570	\$ 1,274
2005	1,274	60,173	51,207	10,240

Long-term disability plan - The County is self-insured for long term disability liabilities. A separate internal service fund is used to account for long-term disability claims. The revenues for this fund's operation are charges to various funds and payroll withholdings. An independent administrator is hired to process claims and to perform management duties. The changes in the estimated claims liability are as follows:

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2004	\$67,124	\$227,456	\$278,136	\$16,444
2005	16,444	278,468	281,858	13,054

General liability self-insurance - The County is a voluntary member of the Michigan Municipal Risk Management Authority (MMRMA) established in January 1980, pursuant to laws of the State of Michigan which authorizes local units of government to exercise jointly any power, privilege or authority which each might exercise separately. The MMRMA administers a risk management fund providing Monroe County with loss protection for general and auto liability, and property and crime coverage. Under most circumstances the County's maximum loss per occurrence is limited as follows:

<u>Type of Risk</u>	<u>Maximum Retention Per Occurrence</u>
General and auto liability	\$250,000
Property and crime coverage	\$11,000 - \$1,000 deductible and 10% of next \$100,000
Flood and earthquake	\$1,000

The administration of the MMRMA is directed by a 10-member Board of Directors composed of municipal representatives elected by the membership. The Board established the general policy of the MMRMA that creates and publishes rules to be followed by the Executive Director and Board and is empowered with the authority to impose sanctions or terminate membership. The County's Finance Department has been designated the representative to the MMRMA to be responsible for the execution of all loss control measures, to ensure the

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

payment of all annual, supplementary or other payment requirements, to ensure the filing of all required lawsuits, claims, litigation, and reporting, and to act as a liaison between the County and MMRMA.

The MMRMA provides risk management, underwriting, reinsurance, litigation oversight and claim services with member contributions allocated to meet these obligations. The MMRMA has reserves to pay losses incurred by members that exceed individual retention levels and are not covered under reinsurance agreements. Losses incurred within the established limits are general obligations of the MMRMA.

After Monroe County has paid the self-insured retention portion, the MMRMA and its reinsurers are responsible for paying losses, including damages, loss adjustment expense and defense costs, with the limits at \$15,000,000 per occurrence for liability coverage. For property losses, the MMRMA insures Monroe County property at replacement value for any property rebuilt or repaired. If not replaced, the property is adjusted at actual cash value. If for any reason the Authority's resources available to pay losses are depleted, the payment of all unpaid losses of Monroe County is the sole obligation of Monroe County.

The reinsurance agreements discussed above include provisions for minimum annual premiums. As of December 31, 2005 the Authority had met the minimum requirements.

Monroe County uses a separate internal service fund to account for the activities of the retention fund held by MMRMA. At December 31, 2005, the fund has net assets of \$1,935.

	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>End of Year Liability</u>
2004	\$448,026	\$(10,316)	\$215,321	\$222,389
2005	222,389	390,715	319,263	293,841

Road Commission Component Unit

The Road Commission is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries, as well as medical benefits provided to employees. The Road Commission has purchased commercial insurance for medical benefits claims and participates in the Michigan County Road Commission Self-Insurance Pool for claims relating to general liability, excess liability, auto liability, errors and omissions, and physical damage (equipment, building and contents). The Road Commission uses the Accident Fund of Michigan for workers' compensation insurance. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The county road commissions in the State of Michigan established a trust fund, known as the Michigan County Road Commission Self-Insurance Pool (the "Pool") pursuant to the provisions of Act 138 of the Michigan Public

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

Acts of 1982. The Pool provides for joint and cooperative action relative to members' financial and administrative resources for the purpose of providing risk management services along with property and liability protection. Membership is restricted to road commissions and related road commission activities within the State.

The Pool program operates as a common risk-sharing management program for road commissions in Michigan; member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

NOTE L - RESTATEMENTS

Beginning net assets for governmental activities were decreased by \$1,278,429 (as were net assets of the Banked Sick Pay internal service fund) in order to correct the prior year reporting of compensated absences for accrued vacation pay and change the reporting in an internal service fund to long-term liabilities. Governmental activities beginning net assets were decreased by \$338,706 (as were net assets of the Revenue Sharing Reserve special revenue fund) to correct an accounting error related to the recognition of revenue in the prior year. Also, the beginning net assets held in trust for pension benefits and other purposes were increased by \$152,333 to correct an accounting error related to the recognition of employer contributions in the prior year.

Beginning net assets for the Monroe County Library System component unit were increased by \$2,636,955 to correct amounts recorded as library collections using an average cost per unit value based on year end inventory at December 31, 2004.

Beginning net assets for 2004 for the Monroe Community Mental Health Authority component unit were restated as follows: a decrease of \$81,787 related to additional Medicaid carry forward dollars, and an increase of \$3,161 related to an overpayment of state facility costs in prior years. Beginning net assets for 2005 were restated and increased by \$239,586 for changes that consist of adjustments to the 2004 fiscal year cost settlement with Washtenaw Community Mental Health Authority and the Michigan Department of Community Health.

NOTE M - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County' counsel that resolution of these matters will not have a material adverse effect on the financial condition of the County.

COUNTY OF MONROE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2005

NOTE N - PROPERTY TAXES

Through 2004, the County property taxes have been levied on December 1 of each year (the lien date) and are due in full by March 1 of the year following the levy, at which time uncollected taxes become delinquent. Pursuant to Public Act 357 of 2004, which provides a funding mechanism to replace state revenue sharing payments to counties, the County's levy date is gradually shifting (or accelerating) from December 1 to July 1 of each year. As such, for the year ended December 31, 2005, the County recognized the December 1, 2004 levy (less the amount recognized in 2004 by the revenue sharing reserve fund) and the July 1, 2005 levy, which represents one-third of the total tax levy for calendar 2005. In 2006, two-thirds of the County property tax will be levied July 1 and then in 2007, and for each year thereafter, all of the County property tax will be levied July 1.

Property taxes are levied on the assessed taxable value of the property as established by local units, accepted by the County and equalized under State statute at approximately 50% of the current estimated market value. In March 1994, Michigan voters approved Proposal A, which limits annual increases in assessed values to the lesser of 5% or the rate of inflation with assessed value reverting to 50% of true cash value when the property is sold.

The taxable value of real and personal property for the December 1, 2004 levy, for which revenue was recognized in fiscal 2005, was \$6,518,266,150. The general operating tax rate for this levy was at the maximum rate of 4.8090 mills, as adjusted by the Headlee Amendment to the State of Michigan Constitution. The County also had a voter approved tax of 0.50 mills for senior citizens services and 0.11 mills for jail bonded debt.

The taxable value of real and personal property for the July 1, 2005 levy, for which revenue was recognized in fiscal 2005, was \$6,918,045,765. The general operating tax rate for this levy was at the maximum rate of 4.7952 mills, as adjusted by the Headlee Amendment to the State of Michigan Constitution.

By agreement with various taxing authorities, the County purchases at face value the real property taxes returned delinquent each March 1 and records a corresponding delinquent taxes receivable. These receivables (\$3,434,904 as of December 31, 2005) are pledged to a bank for payment of the notes payable and subsequent collection of the receivables, interest and collection fees thereon, and investment earnings are used to extinguish the debt.

The Monroe County Library System was authorized by a special election to levy 1.0 mills. The Library's 2005 property taxes were levied on December 1, 2004 on assessed valuations as of December 31, 2003. The taxable value for real and personal property for the year amounted to \$5,286,283,830 based on a percentage of the property's fair market value. Taxes levied December 1, 2005, totaling \$5,586,497 were recorded as taxes receivable and deferred revenue. At December 31, 2005, taxes receivable were \$5,545,505.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**COUNTY OF MONROE
COUNTY OF MONROE EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**

<u>SCHEDULE OF FUNDING PROGRESS:</u>						
ACTUARIAL VALUATION DATE DECEMBER 31,	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	FUNDED RATIO	OVERFUNDED AAL (OAAL)	COVERED PAYROLL	OAAL AS A PERCENTAGE OF COVERED PAYROLL
1995	\$ 83,546,195	\$ 73,933,400	113.0%	\$ 9,612,795	\$ 26,408,333	36.4%
1996	93,061,504	78,450,435	118.6%	14,611,069	26,643,235	54.8%
1997	105,788,939	87,098,801	121.5%	18,690,138	28,814,126	64.9%
1998	117,699,465	91,136,434	129.1%	26,563,031	29,309,641	90.6%
1999	132,836,297	97,650,685	136.0%	35,185,612	31,064,894	113.3%
2000	143,765,352	105,824,598	135.9%	37,940,754	32,749,688	115.9%
2001	150,304,504	116,359,159	129.2%	33,945,345	35,250,392	96.3%
2002	148,404,995	125,652,447	118.1%	22,752,548	35,895,185	63.4%
2003	162,683,115	139,141,015	116.9%	23,542,100	37,862,618	62.2%
2004	162,725,639	150,510,011	108.1%	12,215,628	38,712,508	31.6%

NOTE: VALUES TAKE INTO ACCOUNT ALL SYSTEM BENEFITS EXCEPT RETIREE HEALTH BENEFITS.

<u>SCHEDULE OF EMPLOYER CONTRIBUTIONS:</u>		
YEAR ENDED DECEMBER 31,	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
1996	\$ 1,715,166	100.00%
1997	1,619,271	100.00%
1998	1,110,338	100.00%
1999	579,687	100.00%
2000	197,395	100.00%
2001	133,907	100.00%
2002	41,744	100.00%
2003	191,979	100.00%
2004	1,411,037	100.00%
2005	2,034,222	100.00%

**SUPPLEMENTARY
INFORMATION**

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

General Fund

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

County Health Special Revenue Fund

The ***County Health Special Revenue Fund*** is used to account for revenue reserved for the purpose of providing health protection, maintenance, and improvement for the residents of Monroe County.

Revenue Sharing Special Revenue Fund

The ***Revenue Sharing Special Revenue Fund*** was permitted by Public Act 357 of 2004 which provides a funding mechanism to serve as a substitute to county revenue sharing payments. This substitute funding mechanism involves a gradual shift of county property tax millage from a winter tax levy to a summer tax levy and, additionally, required the establishment of a restricted fund.

Senior Citizen Special Revenue Fund

The ***Senior Citizen Special Revenue Fund*** controls the special tax levy and general fund appropriation for services and special programs for seniors.

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues and Other Sources - by Source
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Taxes				
Current property taxes	\$ 25,870,119	\$ 25,870,119	\$ 25,320,854	\$ (549,265)
Delinquent personal property taxes	45,000	45,000	27,776	(17,224)
Industrial facilities tax	812,136	812,136	1,029,442	217,306
Trailer tax	38,000	38,000	37,933	(67)
Payments in lieu of taxes	18,000	18,000	7,691	(10,309)
Total taxes	26,783,255	26,783,255	26,423,696	(359,559)
Licenses and permits				
Pistol permits	12,000	12,000	18,964	6,964
Other	202,125	206,625	169,713	(36,912)
Total licenses and permits	214,125	218,625	188,677	(29,948)
Intergovernmental				
SHSGR equipment grant	13,385	27,579	13,829	(13,750)
Emergency management division grant	20,000	20,000	27,689	7,689
Civil preparedness grant	-	51,151	3,527	(47,624)
SHSGP emergency planning grant	85,080	93,360	7,091	(86,269)
SHSGP solution area planner grant	32,250	32,250	9,556	(22,694)
SHSP state homeland security grant	256,050	611,152	87,181	(523,971)
SHSGP 2003 Part II	49,400	49,400	-	(49,400)
LETPP - law enforcement	197,236	197,236	-	(197,236)
Housing grant	200,000	240,000	54,491	(185,509)
COPS in schools grant	62,795	62,795	81,108	18,313
COPS 2003 OMWX0119 grant	15,000	15,000	13,625	(1,375)
Local law enforcement block grant	41,738	18,033	8,930	(9,103)
Saturate Monroe County grant	71,037	117,532	78,329	(39,203)
Fermi Security	15,000	15,000	-	(15,000)
Critical infrastructure	10,080	16,832	9,777	(7,055)

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues and Other Sources - by Source
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Intergovernmental (concluded)				
Bullet proof vest program	\$ 2,375	\$ 6,511	\$ 4,275	\$ (2,236)
Justice department 2005-DJ-BX	-	30,284	7,694	(22,590)
Welfare grant	12,500	12,500	1,148	(11,352)
Family Court - Juvenile accountability grant	12,207	12,207	-	(12,207)
BRC implementation grant	96,311	106,311	104,353	(1,958)
Intersection enforcement	52,873	52,873	61,506	8,633
Probate court judges salaries	285,000	285,000	295,013	10,013
Circuit court judges salaries	185,000	185,000	137,622	(47,378)
District court judges salaries	140,000	140,000	137,172	(2,828)
Crime victim/witness grant	86,400	86,400	128,228	41,828
Assistant prosecutor	25,000	25,000	28,376	3,376
Family court - juvenile officer	52,775	52,775	65,970	13,195
District court caseload assistance	31,097	31,097	28,117	(2,980)
District court drug caseload assistance	1,627	1,627	2,250	623
Circuit court drug caseload assistance	500	500	1,110	610
State court equity fund	890,000	890,000	856,928	(33,072)
Remonumentation	169,574	169,574	99,065	(70,509)
Marine safety	53,000	24,300	3,238	(21,062)
State income tax	2,600,000	-	-	-
Other state grants	16,000	27,900	34,711	6,811
IDEP grant	-	10,000	-	(10,000)
Secondary road patrol	243,063	243,063	221,643	(21,420)
Justice training program	63,505	78,704	64,530	(14,174)
Community services grant	512,598	519,933	477,321	(42,612)
Community corrections grant	-	-	40,716	40,716
Corrections training	14,756	14,756	-	(14,756)
Cigarette tax	30,310	30,310	28,510	(1,800)
Liquor licenses	10,000	11,680	13,146	1,466
Total intergovernmental	6,655,522	4,615,625	3,237,775	(1,377,850)

**EXHIBIT I-1
CONCLUDED**

**COUNTY OF MONROE, MICHIGAN
Schedule of Revenues and Other Sources - by Source
Budget and Actual
General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Contributions from local units	\$ 1,675,942	\$ 1,675,942	\$ 1,767,079	\$ 91,137
Charges for services				
Attorney fee reimbursement	205,000	205,000	241,105	36,105
Circuit court costs	150,000	150,000	105,262	(44,738)
District court costs	1,500,000	1,500,000	1,378,836	(121,164)
District court services	577,400	577,400	665,401	88,001
Probate court services	71,600	71,600	61,768	(9,832)
Family court services	17,150	17,150	16,671	(479)
District court - day reporting fees	105,000	105,000	86,091	(18,909)
Treasurer services	44,800	44,800	9,922	(34,878)
Clerk services	185,700	185,700	211,100	25,400
Register of deeds services	1,145,000	1,145,000	1,440,230	295,230
Equalization services	82,400	82,400	41,446	(40,954)
Elections	-	30,000	10,681	(19,319)
Planning department services	21,500	21,500	10,378	(11,122)
Sheriff services	167,000	167,000	179,737	12,737
Sheriff contract special services	30,000	30,000	32,532	2,532
Jail	700,000	700,000	706,439	6,439
Animal Control	23,000	23,000	22,021	(979)
Medical examiner fees	7,500	7,500	8,460	960
Parks and recreation	7,000	7,000	3,550	(3,450)
Historical commission	5,500	5,500	2,361	(3,139)
County extension services	2,000	2,000	2,933	933
Fees and permits - soil erosion	150,000	150,000	163,530	13,530
Total charges for services	5,197,550	5,227,550	5,400,454	172,904

**EXHIBIT I-1
CONCLUDED**

**COUNTY OF MONROE, MICHIGAN
Schedule of Revenues and Other Sources - by Source
Budget and Actual
General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Fines and forfeits				
Ordinance fines and costs	\$ 553,000	\$ 553,000	\$ 563,580	\$ 10,580
Bond forfeitures	75,000	75,000	88,651	13,651
Forfeitures - other	20,000	20,000	10,525	(9,475)
Total fines and forfeitures	648,000	648,000	662,756	14,756
Interest and rents				
Interest on deposits	469,000	479,438	844,471	365,033
Rental income	371,504	371,504	361,500	(10,004)
Total interest and rents	840,504	850,942	1,205,971	355,029
Other revenues				
Contributions from private sources	82,100	82,600	68,625	(13,975)
Finance department revenue	57,000	57,000	51,460	(5,540)
General reimbursements	197,844	233,618	178,246	(55,372)
Gain on sale of capital assets	27,822	27,822	17,435	(10,387)
Rebates - food services	4,000	4,000	4,757	757
Retirement board reimbursements	53,573	53,573	48,379	(5,194)
Indirect costs reimbursements	1,004,172	1,004,172	1,006,225	2,053
Other	29,790	29,790	85,429	55,639
Total other revenues	1,456,301	1,492,575	1,460,556	(32,019)
Other financing sources				
Transfers in	1,785,870	4,393,169	3,936,734	(456,435)
Total revenues and other financing sources	\$ 45,257,069	\$ 45,905,683	\$ 44,283,698	\$ (1,621,985)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government				
Board of Commissioners				
Salaries and wages	\$ 175,820	\$ 175,820	\$ 179,491	\$ 3,671
Employee benefits	83,730	83,730	79,917	(3,813)
Services and supplies	64,249	63,077	61,524	(1,553)
	323,799	322,627	320,932	(1,695)
Circuit Court				
Salaries and wages	263,249	273,249	280,459	7,210
Employee benefits	135,307	135,307	112,537	(22,770)
Services and supplies	459,943	521,843	505,290	(16,553)
	858,499	930,399	898,286	(32,113)
District Court				
Salaries and wages	1,274,306	1,274,306	1,267,309	(6,997)
Employee benefits	753,284	753,284	688,920	(64,364)
Services and supplies	449,448	445,838	371,638	(77,810)
	2,477,038	2,473,428	2,327,867	(149,203)
District Court Probation				
Salaries and wages	346,077	346,077	342,932	(3,145)
Employee benefits	210,065	210,065	202,017	(8,048)
Services and supplies	25,344	25,519	23,632	(1,887)
	581,486	581,661	568,581	(13,080)
District Court Probation - Day Reporting				
Salaries and wages	41,424	41,424	38,987	(2,437)
Employee benefits	27,148	27,148	26,223	(925)
Services and supplies	3,142	3,142	2,331	(811)
	71,714	71,714	67,541	(4,173)
Probate Court				
Salaries and wages	363,110	361,860	336,366	(26,744)
Employee benefits	148,281	148,281	133,602	(14,679)
Services and supplies	92,916	92,916	92,499	(417)
	604,307	603,057	562,467	(41,840)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
BRC Implementation Project				
Services and supplies	\$ 96,311	\$ 106,311	\$ 104,353	\$ (1,958)
County Guardian				
Services and supplies	54,000	55,250	55,250	-
Adult Probation				
Services and supplies	22,325	22,325	21,436	(889)
Family Court				
Salaries and wages	747,067	714,067	704,588	(9,479)
Employee benefits	347,923	292,823	283,871	(8,952)
Services and supplies	364,710	299,974	292,973	(7,001)
	1,459,700	1,306,864	1,281,432	(25,432)
Family Court - Probation Officer				
Salaries and wages	315,781	315,781	359,647	43,866
Employee benefits	175,237	175,237	183,420	8,183
Services and supplies	19,209	19,209	19,241	32
	510,227	510,227	562,308	52,081
District Court Pretrial Services				
Salaries and wages	95,956	95,956	92,065	(3,891)
Employee benefits	40,027	40,027	37,765	(2,262)
Services and supplies	5,067	5,252	4,668	(584)
	141,050	141,235	134,498	(6,737)
Jail Alternative Work Services				
Salaries and wages	27,837	27,837	27,467	(370)
Employee benefits	6,576	6,576	6,479	(97)
Services and supplies	2,560	2,810	2,223	(587)
	36,973	37,223	36,169	(1,054)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
Administrator				
Salaries and wages	\$ 109,339	\$ 109,339	\$ 109,390	\$ 51
Employee benefits	38,790	36,090	35,975	(115)
Services and supplies	9,872	8,072	6,625	(1,447)
	158,001	153,501	151,990	(1,511)
Elections				
Services and supplies	1,550	31,550	28,954	(2,596)
Finance Department				
Salaries and wages	241,964	229,264	230,484	1,220
Employee benefits	130,626	109,326	108,190	(1,136)
Services and supplies	82,418	81,418	80,408	(1,010)
	455,008	420,008	419,082	(926)
Clerk				
Salaries and wages	609,984	609,984	587,433	(22,551)
Employee benefits	329,274	329,274	313,040	(16,234)
Services and supplies	116,290	116,290	113,777	(2,513)
	1,055,548	1,055,548	1,014,250	(41,298)
Equalization				
Salaries and wages	272,452	270,652	262,289	(8,363)
Employee benefits	135,837	135,037	125,812	(9,225)
Services and supplies	33,309	34,109	27,703	(6,406)
	441,598	439,798	415,804	(23,994)
Register of Deeds				
Salaries and wages	113,378	113,378	117,986	4,608
Employee benefits	66,103	66,103	64,623	(1,480)
Services and supplies	31,919	44,919	33,888	(11,031)
	211,400	224,400	216,497	(7,903)
Human Resources				
Salaries and wages	141,927	141,927	141,713	(214)
Employee benefits	41,483	41,683	43,054	1,371
Services and supplies	38,687	38,587	37,390	(1,197)
	222,097	222,197	222,157	(40)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
Prosecuting Attorney				
Salaries and wages	\$ 997,077	\$ 991,827	\$ 986,321	\$ (5,506)
Employee benefits	410,387	410,387	422,411	12,024
Services and supplies	119,799	119,799	112,361	(7,438)
	<u>1,527,263</u>	<u>1,522,013</u>	<u>1,521,093</u>	<u>(920)</u>
Crime Victims Services				
Salaries and wages	69,728	69,728	66,571	(3,157)
Employee benefits	41,671	41,671	38,253	(3,418)
Services and supplies	8,754	8,754	6,797	(1,957)
	<u>120,153</u>	<u>120,153</u>	<u>111,621</u>	<u>(8,532)</u>
Drug Prosecution Grant				
Salaries and wages	71,795	71,795	68,130	(3,665)
Employee benefits	34,555	34,555	16,662	(17,893)
Services and supplies	2,242	2,242	2,295	53
	<u>108,592</u>	<u>108,592</u>	<u>87,087</u>	<u>(21,505)</u>
Retirement Board				
Salaries and wages	39,424	40,424	40,714	290
Employee benefits	22,532	22,632	22,341	(291)
Services and supplies	1,484	1,484	1,439	(45)
	<u>63,440</u>	<u>64,540</u>	<u>64,494</u>	<u>(46)</u>
Remonumentation				
Salaries and wages	8,600	8,600	14,356	5,756
Employee benefits	121,974	121,974	110,007	(11,967)
	<u>130,574</u>	<u>130,574</u>	<u>124,363</u>	<u>(6,211)</u>
Treasurer				
Salaries and wages	254,260	254,260	223,831	(30,429)
Employee benefits	129,672	129,672	114,909	(14,763)
Services and supplies	47,177	47,177	39,026	(8,151)
	<u>431,109</u>	<u>431,109</u>	<u>377,766</u>	<u>(53,343)</u>
Cooperative Extension Services				
Salaries and wages	194,594	196,094	187,887	(8,207)
Employee benefits	101,096	101,096	90,271	(10,825)
Services and supplies	108,730	107,230	104,782	(2,448)
	<u>404,420</u>	<u>404,420</u>	<u>382,940</u>	<u>(21,480)</u>

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
Information Services				
Salaries and wages	\$ 310,640	\$ 287,490	\$ 292,995	\$ 5,505
Employee benefits	145,097	133,097	127,107	(5,990)
Services and supplies	125,763	102,763	101,588	(1,175)
	581,500	523,350	521,690	(1,660)
Building and Grounds				
Salaries and wages	618,887	582,887	552,704	(30,183)
Employee benefits	380,575	350,575	328,977	(21,598)
Services and supplies	503,938	509,188	510,755	1,567
	1,503,400	1,442,650	1,392,436	(50,214)
Courthouse Security				
Services and supplies	101,210	101,210	95,058	(6,152)
Drain Commission				
Salaries and wages	249,367	249,367	241,172	(8,195)
Employee benefits	109,211	104,214	98,267	(5,947)
Services and supplies	22,144	25,144	24,067	(1,077)
	380,722	378,725	363,506	(15,219)
IDEP Grant Program				
Salaries and wages	-	10,000	-	(10,000)
Parks Maintenance				
Salaries and wages	112,330	112,330	106,206	(6,124)
Employee benefits	65,846	63,196	61,650	(1,546)
Services and supplies	70,826	64,336	71,249	6,913
	249,002	239,862	239,105	(757)
Soil Erosion				
Salaries and wages	54,453	54,453	53,124	(1,329)
Employee benefits	26,951	26,951	20,931	(6,020)
Services and supplies	7,564	7,564	7,407	(157)
	88,968	88,968	81,462	(7,506)

**EXHIBIT I-2
CONTINUED**

**COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
General Government (continued)				
General County Expense				
Services and supplies	\$ 318,800	\$ 476,600	\$ 461,536	\$ (15,064)
Building Authority				
Services and supplies	385	3,385	3,090	(295)
Total General Government	15,792,169	15,755,474	15,237,101	(518,373)
Public Safety				
Sheriff - Administrator and Road Patrol				
Salaries and wages	977,250	847,250	905,932	58,682
Employee benefits	448,029	423,039	359,346	(63,693)
Services and supplies	489,676	639,164	637,152	(2,012)
	1,914,955	1,909,453	1,902,430	(7,023)
Detectives Bureau				
Salaries and wages	313,644	343,644	378,363	34,719
Employee benefits	198,854	198,854	230,510	31,656
Services and supplies	9,178	9,178	9,178	-
	521,676	551,676	618,051	66,375
O.M.N.I. Services				
Salaries and wages	182,294	217,294	214,900	(2,394)
Employee benefits	114,020	114,020	118,285	4,265
Services and supplies	5,350	5,350	5,350	-
	301,664	336,664	338,535	1,871
Road Patrol				
Salaries and wages	2,456,127	2,561,127	2,561,648	521
Employee benefits	1,499,027	1,455,127	1,454,588	(539)
Services and supplies	72,020	72,020	72,020	-
	4,027,174	4,088,274	4,088,256	(18)
Sheriff Records				
Salaries and wages	215,059	215,059	232,794	17,735
Employee benefits	154,318	154,318	153,744	(574)
Services and supplies	6,330	6,330	6,330	-
	375,707	375,707	392,868	17,161

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (continued)				
Youth Services				
Salaries and wages	\$ 211,736	\$ 171,736	\$ 105,135	\$ (66,601)
Employee benefits	130,469	124,959	165,802	40,843
Services and supplies	6,201	6,201	6,201	-
	348,406	302,896	277,138	(25,758)
Traffic and Safety				
Salaries and wages	1,263,727	1,263,727	1,230,220	(33,507)
Employee benefits	737,160	715,060	736,671	21,611
Services and supplies	55,140	55,140	53,152	(1,988)
	2,056,027	2,033,927	2,020,043	(13,884)
Critical infrastructure				
Salaries and wages	9,064	14,098	12,887	(1,211)
Employee benefits	3,389	5,107	4,561	(546)
	12,453	19,205	17,448	(1,757)
Justice Department Grant 2005 - DJ - BX0007				
Salaries and wages	-	19,859	5,697	(14,162)
Employee benefits	-	7,425	1,997	(5,428)
Services and supplies	-	3,000	-	(3,000)
	-	30,284	7,694	(22,590)
Local Law Enforcement Grant				
Salaries and wages	22,155	22,155	2,119	(20,036)
Employee benefits	7,609	7,592	749	(6,843)
Services and supplies	46,494	23,244	7,635	(15,609)
	76,258	52,991	10,503	(42,488)

EXHIBIT I-2
CONTINUED

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (continued)				
Secondary Road Patrol				
Salaries and wages	\$ 222,579	\$ 222,579	\$ 201,139	\$ (21,440)
Employee benefits	131,716	131,716	126,858	(4,858)
Services and supplies	37,811	37,811	34,978	(2,833)
	392,106	392,106	362,975	(29,131)
Special Contractual				
Salaries and wages	25,000	25,000	22,551	(2,449)
Employee benefits	8,585	8,585	7,987	(598)
Services and supplies	772	772	772	-
	34,357	34,357	31,310	(3,047)
Bullet Proof Vest Program				
Services and supplies	-	4,137	3,800	(337)
Saturate Monroe County Program				
Salaries and wages	42,914	65,555	46,544	(19,011)
Employee benefits	14,745	23,214	16,638	(6,576)
Services and supplies	13,567	28,952	15,449	(13,503)
	71,226	117,721	78,631	(39,090)
Justice Training				
Services and supplies	63,505	78,704	72,820	(5,884)
Intersection Enforcement				
Salaries and wages	38,133	37,903	44,934	7,031
Employee benefits	14,261	14,261	15,931	1,670
Services and supplies	479	709	641	(68)
	52,873	52,873	61,506	8,633
State Homeland Security -Sheriff Programs				
Salaries and wages	36,960	36,960	-	(36,960)
Employee benefits	12,691	12,691	8,294	(4,397)
	49,651	49,651	8,294	(41,357)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (continued)				
Marine Safety				
Salaries and wages	\$ 36,421	\$ 15,137	\$ 8,459	\$ (6,678)
Employee benefits	11,574	4,391	1,406	(2,985)
Services and supplies	17,705	17,473	5,391	(12,082)
	65,700	37,001	15,256	(21,745)
Corrections - Jail				
Salaries and wages	2,083,553	2,083,553	2,111,267	27,714
Employee benefits	1,270,139	1,270,139	1,302,103	31,964
Services and supplies	1,347,735	1,342,364	1,318,769	(23,595)
	4,701,427	4,696,056	4,732,139	36,083
Corrections - Medical Services				
Salaries and wages	52,447	52,447	39,552	(12,895)
Employee benefits	31,634	31,634	24,854	(6,780)
Services and supplies	131,947	131,947	105,734	(26,213)
	216,028	216,028	170,140	(45,888)
Community Work Services Program				
Salaries and wages	43,111	43,111	43,076	(35)
Employee benefits	12,860	12,860	13,699	839
Services and supplies	502,228	519,753	469,577	(50,176)
	558,199	575,724	526,352	(49,372)
Emergency Management				
Salaries and wages	137,647	128,091	127,903	(188)
Employee benefits	67,242	65,185	63,539	(1,646)
Services and supplies	83,892	124,051	76,538	(47,513)
	288,781	317,327	267,980	(49,347)
SHSGR Solution Area Planner				
Salaries and wages	-	9,556	9,556	-
Employee benefits	-	-	543	543
	-	9,556	10,099	543
SHSP - State Homeland Security				
Salaries and wages	-	4,362	3,816	(546)
Employee benefits	-	2,018	945	(1,073)
Services and supplies	106,000	110,077	4,425	(105,652)
	106,000	116,457	9,186	(107,271)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Public Safety (continued)				
Animal Control				
Salaries and wages	\$ 187,776	\$ 184,776	\$ 166,675	\$ (18,101)
Employee benefits	92,340	92,340	82,090	(10,250)
Services and supplies	114,799	122,299	120,782	(1,517)
	394,915	399,415	369,547	(29,868)
COPS in Schools- MPS and ISD				
Salaries and wages	104,434	104,434	87,378	(17,056)
Employee benefits	62,882	62,882	52,468	(10,414)
Services and supplies	3,050	3,050	3,050	-
	170,366	170,366	142,896	(27,470)
COPS in Schools-BPS and SPS				
Salaries and wages	90,907	90,907	93,457	2,550
Employee benefits	42,979	42,979	53,358	10,379
Services and supplies	3,469	3,469	2,752	(717)
	137,355	137,355	149,567	12,212
Corrections Training Program				
Services and supplies	14,756	14,756	-	(14,756)
Total Public Safety	16,951,565	17,120,667	16,685,464	(435,203)
Public Works				
Drains at Large				
Services and supplies	39,197	39,197	38,512	(685)
Total Public Works	39,197	39,197	38,512	(685)
Health and Welfare				
Medical Examiner				
Salaries and wages	35,233	35,233	41,334	6,101
Employee benefits	5,095	5,095	6,742	1,647
Services and supplies	103,573	103,573	101,692	(1,881)
	143,901	143,901	149,768	5,867

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Health and Welfare (continued)				
Commission on Aging				
Salaries and wages	\$ 72,805	\$ 72,805	\$ 73,954	\$ 1,149
Employee benefits	29,325	29,325	30,391	1,066
Services and supplies	26,969	34,268	28,057	(6,211)
	129,099	136,398	132,402	(3,996)
Veterans' Burial				
Services and supplies	25,000	41,500	31,790	(9,710)
Veterans' Bureau				
Salaries and wages	40,402	40,402	40,192	(210)
Employee benefits	21,324	20,549	20,281	(268)
Services and supplies	2,974	2,614	2,522	(92)
	64,700	63,565	62,995	(570)
Soldier's and Sailors Relief				
Services and supplies	3,775	5,025	4,575	(450)
River Raisin Watershed				
Services and supplies	7,151	7,662	7,662	-
Soil Conservation District				
Services and supplies	34,000	34,000	34,000	-
Area Wide Water Quality Board				
Services and supplies	7,000	7,000	7,055	55
Industrial Development Corporation				
Services and supplies	60,000	60,000	60,000	-
Monroe County Opportunity Program				
Services and supplies	32,000	32,000	32,000	-
MCOP - Head Start				
Services and supplies	30,000	30,000	30,000	-
Economic Development - Dundee				
Services and supplies	90,000	90,000	90,044	44
Total Health and Welfare	626,626	651,051	642,291	(8,760)

COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Community and Economic Development				
Planning				
Salaries and wages	\$ 354,030	\$ 322,129	\$ 302,580	\$ (19,549)
Employee benefits	173,528	149,528	143,807	(5,721)
Services and supplies	94,592	94,592	47,452	(47,140)
	622,150	566,249	493,839	(72,410)
Plat Board				
Services and supplies	1,700	1,700	1,275	(425)
State Boundary Commission				
Services and supplies	300	300	-	(300)
2003 Housing Grant				
Services and supplies	248,383	288,383	54,491	(233,892)
Economic Development				
Services and supplies	35,000	35,000	30,000	(5,000)
Total Community and Economic Development	907,533	891,632	579,605	(312,027)
Recreation and Cultural				
Historical Commission				
Salaries and wages	210,970	210,970	207,664	(3,306)
Employee benefits	87,380	87,380	70,483	(16,897)
Services and supplies	66,655	66,655	60,384	(6,271)
	365,005	365,005	338,531	(26,474)
Community Center				
Services and supplies	34,000	34,000	34,000	-
S.E. Michigan Council of Governments				
Services and supplies	55,500	55,500	55,348	(152)
Toledo Met Area Council of Governments				
Services and supplies	8,092	8,753	8,753	-
Fine Arts Council				
Services and supplies	500	500	-	(500)
Michigan Week				
Services and supplies	500	500	500	-
Total Recreation and Cultural	463,597	464,258	437,132	(27,126)
Other Expenditures				
Insurance, Bonds and Fringes				
Services and supplies	82,500	82,500	59,270	(23,230)
Contingencies				
Services and supplies	568,909	-	-	-

**EXHIBIT I-2
CONCLUDED**

**COUNTY OF MONROE, MICHIGAN
Schedule of Expenditures and Other Uses - by Activity
Budget and Actual
General Fund
For the Year Ended December 31, 2005**

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Other Expenditures (continued)				
Special appropriation				
Ditch Maintenance	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Mental Health Facility	997,803	997,803	997,803	-
	1,042,803	1,042,803	1,042,803	-
Total Other Expenditures	1,694,212	1,125,303	1,102,073	(23,230)
Capital Outlay	909,751	1,400,912	552,983	(847,929)
Total Expenditures	37,384,650	37,448,494	35,275,161	(2,173,333)
Other Uses - Transfers out				
Health Department	1,611,538	1,611,238	1,396,619	(214,619)
Ambulance Authority	4,000	4,300	4,300	-
Friend of the Court	579,574	579,574	579,574	-
Self Help Road	185,250	185,250	185,250	-
Computer Capital Outlay	500,000	669,700	669,700	-
New Jail	1,295,401	1,470,434	1,470,434	-
Central Dispatch	1,087,116	1,087,116	1,087,116	-
Social Services	-	10,000	10,000	-
Social Services Infirmary	453,436	453,436	453,436	-
Child Care	1,374,222	1,546,856	1,546,856	-
Radio Equipment	750,000	750,000	750,000	-
Building Authority Debt	568,700	568,700	568,700	-
Capital Improvement	-	154,598	153,626	(972)
Total Other Uses - Transfers Out	8,409,237	9,091,202	8,875,611	(215,591)
Total Expenditures and Transfers Out	\$ 45,793,887	\$ 46,539,696	\$ 44,150,772	\$ (2,388,924)

Exhibit J

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
County Health Special Revenue Fund
For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Actual over (under) Final Budget
Revenues				
Licenses and permits	\$ 325,000	\$ 334,000	\$ 357,166	\$ 23,166
Intergovernmental revenue	2,002,222	2,547,806	2,547,538	(268)
Charges for services	922,166	942,166	1,055,174	113,008
Other revenue	118,530	129,880	159,039	29,159
Total revenues	3,367,918	3,953,852	4,118,917	165,065
Expenditures				
Current				
Health and welfare				
Salaries and wages	1,947,459	1,935,808	1,735,910	(199,898)
Employee benefits	852,447	851,667	841,046	(10,621)
Services and supplies	2,094,004	2,741,734	2,279,633	(462,101)
Capital outlay	91,000	107,900	31,880	(76,020)
Total expenditures	4,984,910	5,637,109	4,888,469	(748,640)
Revenues over (under) expenditures	(1,616,992)	(1,683,257)	(769,552)	913,705
Other financing sources (uses)				
Transfers in	1,611,538	1,611,538	1,396,619	(214,919)
Transfers (out)	(81,700)	(81,700)	(81,700)	-
Total other financing (uses)	1,529,838	1,529,838	1,314,919	(214,919)
Net change in fund balance	(87,154)	(153,419)	545,367	698,786
Fund balance, beginning of year	1,412,219	1,412,219	1,412,219	-
Fund balance, end of year	\$ 1,325,065	\$ 1,258,800	\$ 1,957,586	\$ 698,786

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Friend of the Court Fund	<ul style="list-style-type: none">• Accounts for the County revenue that is reserved for the operation of this division of the Circuit Court.
Self-Help Road Fund	<ul style="list-style-type: none">• Records the activity involving appropriations from other funds and construction costs for this road program.
Restricted Fund	<ul style="list-style-type: none">• Established to control tax monies received for the payment of lease requirements to the Building Authority for the Adult Detention Center and Law Enforcement Building.
Budget Stabilization Fund	<ul style="list-style-type: none">• Established by resolution as provided in Act 30 of the Public Acts of 1978 to account for monies set aside for this purpose.
Central Dispatch Authority Fund	<ul style="list-style-type: none">• Accounts for the activity of the public safety answering point for all of Monroe County, including villages, townships and cities participating in the Emergency Telephone District of the 9-1-1 Service Plan.
Marriage Counseling Fund	<ul style="list-style-type: none">• Established under Act 4 of the Public Acts of 1980 for fees allocated to be used for family counseling services.
Prosecutor Drug Forfeiture Fund	<ul style="list-style-type: none">• Established to account for monies received by the prosecutor's office for drug forfeiture cases.
Special Investigation Drug Enforcement Fund	<ul style="list-style-type: none">• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Drug Enforcement activities.
Federally Forfeited Property Fund	<ul style="list-style-type: none">• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities.
OMNI Drug Forfeiture Fund	<ul style="list-style-type: none">• Accounts for monies received by the Office of Monroe Narcotics Investigation (OMNI) which is a multi-jurisdictional task force combining the efforts of the Michigan State Police, Monroe County Sheriff's Office and the Monroe Police Department.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

Forfeited Property Non-Drug Fund	<ul style="list-style-type: none">• Accounts for monies received by the Sheriff's Department after cases have been prosecuted and forfeiture monies are available for distribution and use within the Department for Local Law Enforcement activities.
Job Training and Placement Fund	<ul style="list-style-type: none">• Accounts for costs involved with the training and placement of qualified county residents.
Workforce Investment Fund	<ul style="list-style-type: none">• Accounts for costs related to the Adult Program, for adults who are economically disadvantaged, and the Dislocated Workers Program, for certain laid-off individuals.
Federal Prisoner Housing Fund	<ul style="list-style-type: none">• Accounts for the activity of the second jail facility.
Sheriff Training Fund	<ul style="list-style-type: none">• Utilizes State funds to provide corrective and protective service officers with training seminars to update and enhance the officers' knowledge of criminal activities.
Social Services Fairview Infirmary Fund	<ul style="list-style-type: none">• Functions under the directions of the County Board and State Family Independence Agency to provide general relief for indigent persons and medical care for eligible persons who are unable to provide it for themselves.
Probate Court Youth Center Fund	<ul style="list-style-type: none">• Accounts for the revenue reserved for this division of the Probate Court and is used for the care of all juveniles under the jurisdiction of the Court.
Other Special Revenue Funds	<ul style="list-style-type: none">• These funds account for specific grants requiring separate accounting as stipulated in the grant provisions as well as several other small funds. These funds are not significant and are combined into one category of special revenue funds. Financing is provided primarily by federal and state grants, other revenues and reimbursements, and transfers.

NONMAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt Service

- These funds account for the accumulation of resources for, and the payment of, the general long-term obligations issued for the county and the Building Authority and other general obligations.

Capital Projects Funds

Capital Projects

- These funds account for the accumulation of resources for, and the payment of costs, for activity related to acquisition and improvement costs of county property.

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Special Revenue	Debt Service	Capital Projects	Totals
<u>ASSETS</u>				
Assets				
Cash and cash equivalents	\$ 6,299,473	\$ 497,918	\$ 2,673,200	\$ 9,470,591
Investments	983,750	-	-	983,750
Taxes receivable, current	629,790	-	-	629,790
Due from other governments	1,366,548	-	-	1,366,548
Due from other funds	1,113,128	-	151,500	1,264,628
Advances to other funds	270,629	-	-	270,629
<u>TOTAL ASSETS</u>	\$ 10,663,318	\$ 497,918	\$ 2,824,700	\$ 13,985,936
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 488,516	\$ -	\$ 5,511	\$ 494,027
Accrued wages and fringes	270,120	-	-	270,120
Due to other funds	839,000	-	-	839,000
Advances from other governments	68,000	-	-	68,000
Advances from other funds	50,000	-	-	50,000
Deferred revenue	629,790	-	-	629,790
Total liabilities	2,345,426	-	5,511	2,350,937
Fund balances				
Reserved for:				
Encumbrances	151,673	-	-	151,673
Long-term advances	270,629	-	-	270,629
Debt service	756,873	-	-	756,873
Donations	3,758	-	-	3,758
Unreserved:				
Designated for subsequent expenditures	1,471,407	-	-	1,471,407
Undesignated	5,663,552	497,918	2,819,189	8,980,659
Total fund balances	8,317,892	497,918	2,819,189	11,634,999
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 10,663,318	\$ 497,918	\$ 2,824,700	\$ 13,985,936

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Special Revenue	Debt Service	Capital Projects	Totals
Revenues				
Taxes	\$ 600,519	\$ -	\$ -	\$ 600,519
Licenses and permits	12,690	-	-	12,690
Intergovernmental revenues	7,389,026	-	-	7,389,026
Contributions from local units	41,560	-	-	41,560
Charges for services	1,441,670	-	-	1,441,670
Fines and forfeits	231,443	-	-	231,443
Interest and rents	77,862	486,579	54,935	619,376
Other revenue	1,644,912	-	40,884	1,685,796
Total revenues	11,439,682	486,579	95,819	12,022,080
Expenditures				
Current:				
General government	2,809,722	-	-	2,809,722
Public safety	6,015,890	-	-	6,015,890
Public works	1,033,407	-	-	1,033,407
Health and welfare	6,436,052	-	-	6,436,052
Recreation and culture	28,197	-	-	28,197
Debt service:				
Principal	-	2,098,195	-	2,098,195
Interest	-	458,832	-	458,832
Capital outlay	486,285	-	1,033,353	1,519,638
Total expenditures	16,809,553	2,557,027	1,033,353	20,399,933
Revenues (under) expenditures	(5,369,871)	(2,070,448)	(937,534)	(8,377,853)
Other financing sources (uses)				
Transfers in	6,601,666	2,040,775	646,899	9,289,340
Transfers (out)	(690,054)	(493,273)	-	(1,183,327)
Total other financing sources	5,911,612	1,547,502	646,899	8,106,013
Net changes in fund balances	541,741	(522,946)	(290,635)	(271,840)
Fund balances, beginning of year	7,776,151	1,020,864	3,109,824	11,906,839
Fund balances, end of year	\$ 8,317,892	\$ 497,918	\$ 2,819,189	\$ 11,634,999

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Friend of the Court	Self Help Road	Restricted	Budget Stabilization	Central Dispatch Authority	Marriage Counseling
<u>ASSETS</u>						
Assets						
Cash and cash equivalents	\$ 685	\$ 973,962	\$ 770,184	\$ 991,323	\$ 265,675	\$ 163,563
Investments	-	-	-	983,750	-	-
Taxes receivable, current	-	-	629,790	-	-	-
Interest receivable	-	-	-	-	-	-
Due from other governments	296,640	-	-	-	56,602	-
Due from other funds	-	-	-	839,000	-	-
Advances to other funds	-	-	-	270,629	-	-
<u>TOTAL ASSETS</u>	\$ 297,325	\$ 973,962	\$ 1,399,974	\$ 3,084,702	\$ 322,277	\$ 163,563
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities						
Accounts payable	\$ 6,694	\$ 183,930	\$ -	\$ -	\$ 2,427	\$ 1,863
Accrued wages and fringes	39,184	-	-	-	35,200	-
Due to other funds	72,000	-	-	-	-	-
Advances from other governments	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenue	-	-	629,790	-	-	-
Total liabilities	117,878	183,930	629,790	-	37,627	1,863
Fund balances						
Reserved for:						
Encumbrances	41	-	-	-	38	-
Long-term advances	-	-	-	270,629	-	-
Debt service	-	-	756,873	-	-	-
Donations	-	-	-	-	-	-
Unreserved:						
Designated for subsequent expenditures	-	-	-	1,084,000	55,000	50,844
Undesignated	179,406	790,032	13,311	1,730,073	229,612	110,856
Total fund balances	179,447	790,032	770,184	3,084,702	284,650	161,700
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 297,325	\$ 973,962	\$ 1,399,974	\$ 3,084,702	\$ 322,277	\$ 163,563

continued...

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property	OMNI Drug Forfeiture	Forfeited Property Non-Drug	Job Training and Placement	Workforce Investment	Federal Prisoner Housing
<u>ASSETS</u>								
Assets								
Cash and cash equivalents	\$ 43,232	\$ 57,627	\$ 37,046	\$ 1,178,405	\$ 1,558	\$ 833	\$ 297	\$ 152,238
Investments	-	-	-	-	-	-	-	-
Taxes receivable, current	-	-	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	79,851	115,831	612,900
Due from other funds	-	-	-	-	-	-	-	96,500
Advances to other funds	-	-	-	-	-	-	-	-
<u>TOTAL ASSETS</u>	\$ 43,232	\$ 57,627	\$ 37,046	\$ 1,178,405	\$ 1,558	\$ 80,684	\$ 116,128	\$ 861,638
<u>LIABILITIES AND FUND BALANCES</u>								
Liabilities								
Accounts payable	\$ -	\$ 11,549	\$ 4,796	\$ -	\$ -	\$ 17,859	\$ 9,830	\$ 35,574
Accrued wages and fringes	-	-	-	-	-	6,770	17,011	100,936
Due to other funds	-	-	-	-	-	38,000	68,000	622,000
Advances from other governments	-	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	-	11,549	4,796	-	-	62,629	94,841	758,510
Fund balances								
Reserved for:								
Encumbrances	-	-	-	-	-	-	-	-
Long-term advances	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Unreserved:								
Designated for subsequent expenditures	21,293	26,980	-	-	-	-	-	947
Undesignated	21,939	19,098	32,250	1,178,405	1,558	18,055	21,287	102,181
Total fund balances	43,232	46,078	32,250	1,178,405	1,558	18,055	21,287	103,128
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 43,232	\$ 57,627	\$ 37,046	\$ 1,178,405	\$ 1,558	\$ 80,684	\$ 116,128	\$ 861,638

continued...

COUNTY OF MONROE, MICHIGAN
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Sheriff Training	Social Services Fairview Infirmary	Probate Court Youth Center	Other Special Revenue Funds	Total
<u>ASSETS</u>					
Assets					
Cash and cash equivalents	\$ 33,479	\$ 94,401	\$ 9,726	\$ 1,525,239	\$ 6,299,473
Investments	-	-	-	-	983,750
Taxes receivable, current	-	-	-	-	629,790
Interest receivable	-	-	-	-	-
Due from other governments	-	48,536	133,587	22,601	1,366,548
Due from other funds	-	-	-	177,628	1,113,128
Advances to other funds	-	-	-	-	270,629
<u>TOTAL ASSETS</u>	\$ 33,479	\$ 142,937	\$ 143,313	\$ 1,725,468	\$ 10,663,318
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities					
Accounts payable	\$ -	\$ 13,464	\$ 33,513	\$ 167,017	\$ 488,516
Accrued wages and fringes	-	9,127	60,467	1,425	270,120
Due to other funds	-	-	39,000	-	839,000
Advances from other governments	-	-	-	68,000	68,000
Advances from other funds	-	-	-	50,000	50,000
Deferred revenue	-	-	-	-	629,790
Total liabilities	-	22,591	132,980	286,442	2,345,426
Fund balances					
Reserved for:					
Encumbrances	-	-	88	151,506	151,673
Long-term advances	-	-	-	-	270,629
Debt service	-	-	-	-	756,873
Donations	-	-	-	3,758	3,758
Unreserved:					
Designated for subsequent expenditures	-	50,000	-	182,343	1,471,407
Undesignated	33,479	70,346	10,245	1,101,419	5,663,552
Total fund balances	33,479	120,346	10,333	1,439,026	8,317,892
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$ 33,479	\$ 142,937	\$ 143,313	\$ 1,725,468	\$ 10,663,318

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Friend of the Court	Self Help Road	Restricted	Budget Stabilization	Central Dispatch Authority	Marriage Counseling
Revenues						
Taxes	\$ -	\$ -	\$ 599,495	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	12,690
Intergovernmental revenue	1,870,337	-	-	-	216,524	-
Contributions from local units	-	-	41,560	-	-	-
Charges for services	181,509	-	-	-	649,858	-
Fines and forfeits	-	-	-	-	-	-
Interest and rents	-	-	12,631	41,511	5,071	-
Other revenue	816	-	-	-	-	-
Total revenues	2,052,662	-	653,686	41,511	871,453	12,690
Expenditures						
Current:						
General government	2,602,213	-	-	-	-	-
Public safety	-	-	-	-	1,884,884	-
Public works	-	1,033,407	-	-	-	-
Health and welfare	-	-	-	-	-	10,838
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	2,602,213	1,033,407	-	-	1,884,884	10,838
Revenues over (under) expenditures	(549,551)	(1,033,407)	653,686	41,511	(1,013,431)	1,852
Other financing sources (uses)						
Transfers in	579,574	780,250	-	-	1,087,116	-
Transfers (out)	-	-	(640,375)	-	-	-
Total other financing sources (uses)	579,574	780,250	(640,375)	-	1,087,116	-
Net changes in fund balances	30,023	(253,157)	13,311	41,511	73,685	1,852
Fund balances, beginning of year	149,424	1,043,189	756,873	3,043,191	210,965	159,848
Fund balances, end of year	\$ 179,447	\$ 790,032	\$ 770,184	\$ 3,084,702	\$ 284,650	\$ 161,700

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Prosecutor Drug Forfeiture	Special Investigation Drug Enforcement	Federally Forfeited Property	OMNI Drug Forfeiture	Forfeited Property Non-Drug	Job Training and Placement	Workforce Investment	Federal Prisoner Housing
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	1,007,185	829,477	1,723,831
Contributions from local units	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	226,584
Fines and forfeits	-	-	38,255	183,438	-	-	-	-
Interest and rents	-	796	-	17,818	35	-	-	-
Other revenue	-	58,594	18	502,891	-	3,474	217	4,183
Total revenues	-	59,390	38,273	704,147	35	1,010,659	829,694	1,954,598
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	11,260	39,303	31,946	206,989	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	1,008,671	831,374	3,338,136
Recreation and culture	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	11,260	39,303	31,946	206,989	-	1,008,671	831,374	3,338,136
Revenues over (under) expenditures	(11,260)	20,087	6,327	497,158	35	1,988	(1,680)	(1,383,538)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	1,470,434
Transfers (out)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	1,470,434
Net changes in fund balances	(11,260)	20,087	6,327	497,158	35	1,988	(1,680)	86,896
Fund balances, beginning of year	54,492	25,991	25,923	681,247	1,523	16,067	22,967	16,232
Fund balances, end of year	\$ 43,232	\$ 46,078	\$ 32,250	\$ 1,178,405	\$ 1,558	\$ 18,055	\$ 21,287	\$ 103,128

continued...

Exhibit L-2
(concluded)

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Sheriff Training	Social Services Fairview Infirmary	Probate Court Youth Center	Other Special Revenue funds	Total
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 1,024	\$ 600,519
Licenses and permits	-	-	-	-	12,690
Intergovernmental revenue	22,436	-	1,686,659	32,577	7,389,026
Contributions from local units	-	-	-	-	41,560
Charges for services	-	-	139,926	243,793	1,441,670
Fines and forfeits	-	-	-	9,750	231,443
Interest and rents	-	-	-	-	77,862
Other revenue	-	331,866	32,934	709,919	1,644,912
Total revenues	22,436	331,866	1,859,519	997,063	11,439,682
Expenditures					
Current:					
General government	-	-	-	207,509	2,809,722
Public safety	23,675	-	3,805,940	11,893	6,015,890
Public works	-	-	-	-	1,033,407
Health and welfare	-	786,680	-	460,353	6,436,052
Recreation and culture	-	-	-	28,197	28,197
Capital outlay	-	-	-	486,285	486,285
Total expenditures	23,675	786,680	3,805,940	1,194,237	16,809,553
Revenues over (under) expenditures	(1,239)	(454,814)	(1,946,421)	(197,174)	(5,369,871)
Other financing sources (uses)					
Transfers in	-	453,436	1,546,856	684,000	6,601,666
Transfers (out)	-	-	-	(49,679)	(690,054)
Total other financing sources (uses)	-	453,436	1,546,856	634,321	5,911,612
Net changes in fund balances	(1,239)	(1,378)	(399,565)	437,147	541,741
Fund balances, beginning of year	34,718	121,724	409,898	1,001,879	7,776,151
Fund balances, end of year	\$ 33,479	\$ 120,346	\$ 10,333	\$ 1,439,026	\$ 8,317,892

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Friend of the Court			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	2,001,443	2,001,443	1,870,337	(131,106)
Contributions from local units	-	-	-	-
Charges for services	153,200	153,200	181,509	28,309
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	30,000	30,000	816	(29,184)
Total revenues	2,184,643	2,184,643	2,052,662	(131,981)
Expenditures				
Current:				
General government				
Salaries and wages	1,540,257	1,540,257	1,443,576	(96,681)
Employee benefits	787,251	787,251	757,319	(29,932)
Services and supplies	436,709	436,709	401,318	(35,391)
Capital outlay	-	-	-	-
Total expenditures	2,764,217	2,764,217	2,602,213	(162,004)
Revenues over (under) expenditures	(579,574)	(579,574)	(549,551)	30,023
Other financing sources (uses)				
Transfers in	579,574	579,574	579,574	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	579,574	579,574	579,574	-
Net changes in fund balances	-	-	30,023	30,023
Fund balances, beginning of year	149,424	149,424	149,424	-
Fund balances, end of year	\$ 149,424	\$ 149,424	\$ 179,447	\$ 30,023

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Self Help Road			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Current:				
Public works				
Services and supplies	780,250	1,080,250	1,033,407	(46,843)
Capital outlay	-	-	-	-
Total expenditures	780,250	1,080,250	1,033,407	(46,843)
Revenues over (under) expenditures	(780,250)	(1,080,250)	(1,033,407)	46,843
Other financing sources (uses)				
Transfers in	780,250	780,250	780,250	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	780,250	780,250	780,250	-
Net changes in fund balances	-	(300,000)	(253,157)	46,843
Fund balances, beginning of year	1,043,189	1,043,189	1,043,189	-
Fund balances, end of year	\$ 1,043,189	\$ 743,189	\$ 790,032	\$ 46,843

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Restricted			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 598,815	\$ 598,815	\$ 599,495	\$ 680
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	41,560	41,560	41,560	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	12,631	12,631
Other revenues	-	-	-	-
Total revenues	640,375	640,375	653,686	13,311
Expenditures				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	640,375	640,375	653,686	13,311
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(640,375)	(640,375)	(640,375)	-
Total other financing sources (uses)	(640,375)	(640,375)	(640,375)	-
Net changes in fund balances	-	-	13,311	13,311
Fund balances, beginning of year	756,873	756,873	756,873	-
Fund balances, end of year	\$ 756,873	\$ 756,873	\$ 770,184	\$ 13,311

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Budget Stabilization			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	30,000	30,000	41,511	11,511
Other revenues	-	-	-	-
Total revenues	30,000	30,000	41,511	11,511
Expenditures				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	30,000	30,000	41,511	11,511
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(30,000)	(30,000)	-	30,000
Total other financing sources (uses)	(30,000)	(30,000)	-	30,000
Net changes in fund balances	-	-	41,511	41,511
Fund balances, beginning of year	3,043,191	3,043,191	3,043,191	-
Fund balances, end of year	\$ 3,043,191	\$ 3,043,191	\$ 3,084,702	\$ 41,511

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Central Dispatch Authority			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	135,000	135,000	216,524	81,524
Contributions from local units	-	-	-	-
Charges for services	716,000	716,000	649,858	(66,142)
Fines and forfeits	-	-	-	-
Interest and rents	-	-	5,071	5,071
Other revenues	446	446	-	(446)
Total revenues	851,446	851,446	871,453	20,007
Expenditures				
Current:				
Public safety				
Salaries and wages	1,126,686	1,121,010	1,014,253	(106,757)
Employee benefits	608,690	608,690	576,895	(31,795)
Services and supplies	313,186	318,862	293,736	(25,126)
Capital outlay	-	-	-	-
Total expenditures	2,048,562	2,048,562	1,884,884	(163,678)
Revenues over (under) expenditures	(1,197,116)	(1,197,116)	(1,013,431)	183,685
Other financing sources (uses)				
Transfers in	1,087,116	1,087,116	1,087,116	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,087,116	1,087,116	1,087,116	-
Net changes in fund balances	(110,000)	(110,000)	73,685	183,685
Fund balances, beginning of year	210,965	210,965	210,965	-
Fund balances, end of year	\$ 100,965	\$ 100,965	\$ 284,650	\$ 183,685

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
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Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Marriage Counseling			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	15,000	15,000	12,690	(2,310)
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	15,000	15,000	12,690	(2,310)
Expenditures				
Current:				
General government				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	65,000	65,000	10,838	(54,162)
Capital outlay	-	-	-	-
Total expenditures	65,000	65,000	10,838	(54,162)
Revenues over (under) expenditures	(50,000)	(50,000)	1,852	51,852
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(50,000)	(50,000)	1,852	51,852
Fund balances, beginning of year	159,848	159,848	159,848	-
Fund balances, end of year	\$ 109,848	\$ 109,848	\$ 161,700	\$ 51,852

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Prosecutor Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	5,000	5,000	-	(5,000)
Interest and rents	800	800	-	(800)
Other revenues	-	-	-	-
Total revenues	5,800	5,800	-	(5,800)
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	(1)	(1)
Employee benefits	-	-	-	-
Services and supplies	11,021	15,521	11,261	(4,260)
Capital outlay	-	-	-	-
Total expenditures	11,021	15,521	11,260	(4,261)
Revenues over (under) expenditures	(5,221)	(9,721)	(11,260)	(1,539)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(15,000)	(10,500)	-	10,500
Total other financing sources (uses)	(15,000)	(10,500)	-	10,500
Net changes in fund balances	(20,221)	(20,221)	(11,260)	8,961
Fund balances, beginning of year	54,492	54,492	54,492	-
Fund balances, end of year	\$ 34,271	\$ 34,271	\$ 43,232	\$ 8,961

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Special Investigation Drug Enforcement			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	1,000	1,000	796	(204)
Other revenues	19,500	62,024	58,594	(3,430)
Total revenues	20,500	63,024	59,390	(3,634)
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	44,695	83,970	39,303	(44,667)
Capital outlay	-	-	-	-
Total expenditures	44,695	83,970	39,303	(44,667)
Revenues over (under) expenditures	(24,195)	(20,946)	20,087	41,033
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(1,045)	(5,045)	-	5,045
Total other financing sources (uses)	(1,045)	(5,045)	-	5,045
Net changes in fund balances	(25,240)	(25,991)	20,087	46,078
Fund balances, beginning of year	25,991	25,991	25,991	-
Fund balances, end of year	\$ 751	\$ -	\$ 46,078	\$ 46,078

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Federally Forfeited Property			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	60,500	60,500	38,255	(22,245)
Interest and rents	-	-	-	-
Other revenues	-	-	18	18
Total revenues	60,500	60,500	38,273	(22,227)
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	57,289	59,029	31,946	(27,083)
Capital outlay	32,000	26,348	-	(26,348)
Total expenditures	89,289	85,377	31,946	(53,431)
Revenues over (under) expenditures	(28,789)	(24,877)	6,327	31,204
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	(1,046)	(1,046)	-	1,046
Total other financing sources (uses)	(1,046)	(1,046)	-	1,046
Net changes in fund balances	(29,835)	(25,923)	6,327	32,250
Fund balances, beginning of year	25,923	25,923	25,923	-
Fund balances (deficit), end of year	\$ (3,912)	\$ -	\$ 32,250	\$ 32,250

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	OMNI Drug Forfeiture			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	136,685	222,608	183,438	(39,170)
Interest and rents	5,500	5,500	17,818	12,318
Other revenues	28,250	28,250	502,891	474,641
Total revenues	170,435	256,358	704,147	447,789
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	170,435	256,358	206,989	(49,369)
Capital outlay	-	-	-	-
Total expenditures	170,435	256,358	206,989	(49,369)
Revenues over (under) expenditures	-	-	497,158	497,158
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	497,158	497,158
Fund balances, beginning of year	681,247	681,247	681,247	-
Fund balances, end of year	\$ 681,247	\$ 681,247	\$ 1,178,405	\$ 497,158

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Forfeited Property - Non-drug			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	35	35
Other revenues	1,500	1,500	-	(1,500)
Total revenues	1,500	1,500	35	(1,465)
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	1,500	1,500	-	(1,500)
Capital outlay	-	-	-	-
Total expenditures	1,500	1,500	-	(1,500)
Revenues over (under) expenditures	-	-	35	35
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	35	35
Fund balances, beginning of year	1,523	1,523	1,523	-
Fund balances, end of year	\$ 1,523	\$ 1,523	\$ 1,558	\$ 35

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Job Training and Placement			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	993,993	1,040,603	1,007,185	(33,418)
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	3,474	3,474
Total revenues	993,993	1,040,603	1,010,659	(29,944)
Expenditures				
Current:				
Health and welfare				
Salaries and wages	462,248	499,927	495,800	(4,127)
Employee benefits	234,456	264,499	269,530	5,031
Services and supplies	297,289	276,177	243,341	(32,836)
Capital outlay	-	-	-	-
Total expenditures	993,993	1,040,603	1,008,671	(31,932)
Revenues over (under) expenditures	-	-	1,988	1,988
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	1,988	1,988
Fund balances, beginning of year	16,067	16,067	16,067	-
Fund balances, end of year	\$ 16,067	\$ 16,067	\$ 18,055	\$ 1,988

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Workforce Investment			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	910,456	922,995	829,477	(93,518)
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	217	217
Total revenues	910,456	922,995	829,694	(93,301)
Expenditures				
Current:				
Health and welfare				
Salaries and wages	444,437	455,880	417,618	(38,262)
Employee benefits	244,474	251,397	235,370	(16,027)
Services and supplies	221,545	215,718	178,386	(37,332)
Capital outlay	-	-	-	-
Total expenditures	910,456	922,995	831,374	(91,621)
Revenues over (under) expenditures	-	-	(1,680)	(1,680)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances		-	(1,680)	(1,680)
Fund balances, beginning of year	22,967	22,967	22,967	-
Fund balances, end of year	\$ 22,967	\$ 22,967	\$ 21,287	\$ (1,680)

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
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For the Year Ended December 31, 2005

	Federal Prisoner Housing			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,868,800	1,868,800	1,723,831	(144,969)
Contributions from local units	-	-	-	-
Charges for services	220,000	220,000	226,584	6,584
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	3,500	3,500	4,183	683
Total revenues	2,092,300	2,092,300	1,954,598	(137,702)
Expenditures				
Current:				
Public Safety				
Salaries and wages	1,630,564	1,630,564	1,583,560	(47,004)
Employee benefits	990,640	990,640	1,000,458	9,818
Services and supplies	766,497	797,444	754,118	(43,326)
Capital outlay	-	-	-	-
Total expenditures	3,387,701	3,418,648	3,338,136	(80,512)
Revenues over (under) expenditures	(1,295,401)	(1,326,348)	(1,383,538)	(57,190)
Other financing sources (uses)				
Transfers in	1,295,401	1,325,401	1,470,434	145,033
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,295,401	1,325,401	1,470,434	145,033
Net changes in fund balances	-	(947)	86,896	87,843
Fund balances, beginning of year	16,232	16,232	16,232	-
Fund balances, end of year	\$ 16,232	\$ 15,285	\$ 103,128	\$ 87,843

COUNTY OF MONROE, MICHIGAN
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	Sheriff Training			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	20,000	25,634	22,436	(3,198)
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	-	-	-	-
Total revenues	20,000	25,634	22,436	(3,198)
Expenditures				
Current:				
Public safety				
Salaries and wages	-	-	-	-
Employee benefits	-	-	-	-
Services and supplies	20,000	25,634	23,675	(1,959)
Capital outlay	-	-	-	-
Total expenditures	20,000	25,634	23,675	(1,959)
Revenues over (under) expenditures	-	-	(1,239)	(1,239)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	-	-	(1,239)	(1,239)
Fund balances, beginning of year	34,718	34,718	34,718	-
Fund balances, end of year	\$ 34,718	\$ 34,718	\$ 33,479	\$ (1,239)

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
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	Social Services Fairview Infirmary			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Contributions from local units	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	300,000	300,000	331,866	31,866
Total revenues	300,000	300,000	331,866	31,866
Expenditures				
Current:				
Health and welfare				
Salaries and wages	391,051	391,051	378,116	(12,935)
Employee benefits	171,752	171,752	168,465	(3,287)
Services and supplies	240,633	240,646	240,099	(547)
Capital outlay	-	-	-	-
Total expenditures	803,436	803,449	786,680	(16,769)
Revenues over (under) expenditures	(503,436)	(503,449)	(454,814)	48,635
Other financing sources (uses)				
Transfers in	453,436	453,436	453,436	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	453,436	453,436	453,436	-
Net changes in fund balances	(50,000)	(50,013)	(1,378)	48,635
Fund balances, beginning of year	121,724	121,724	121,724	-
Fund balances, end of year	\$ 71,724	\$ 71,711	\$ 120,346	\$ 48,635

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
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	Probate Court Youth Center			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,314,502	1,691,317	1,686,659	(4,658)
Contributions from local units	-	-	-	-
Charges for services	125,000	125,000	139,926	14,926
Fines and forfeits	-	-	-	-
Interest and rents	-	-	-	-
Other revenues	15,300	37,077	32,934	(4,143)
Total revenues	1,454,802	1,853,394	1,859,519	6,125
Expenditures				
Current:				
Public safety				
Salaries and wages	1,662,545	1,649,782	1,611,273	(38,509)
Employee benefits	755,880	759,380	798,709	39,329
Services and supplies	1,047,335	1,400,686	1,395,958	(4,728)
Capital outlay	-	-	-	-
Total expenditures	3,465,760	3,809,848	3,805,940	(3,908)
Revenues over (under) expenditures	(2,010,958)	(1,956,454)	(1,946,421)	10,033
Other financing sources (uses)				
Transfers in	1,374,222	1,546,856	1,546,856	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	1,374,222	1,546,856	1,546,856	-
Net changes in fund balances	(636,736)	(409,598)	(399,565)	10,033
Fund balances, beginning of year	409,898	409,898	409,898	-
Fund balances, end of year	\$ (226,838)	\$ 300	\$ 10,333	\$ 10,033

COUNTY OF MONROE, MICHIGAN
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Other Special Revenue Funds			
	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes	\$ 2,500	\$ 2,500	\$ 1,024	\$ (1,476)
Licenses and permits	-	-	-	-
Intergovernmental revenues	40,000	53,021	32,577	(20,444)
Contributions from local units	-	-	-	-
Charges for services	200,000	230,000	243,793	13,793
Fines and forfeits	5,000	6,000	9,750	3,750
Interest and rents	-	-	-	-
Other revenues	1,158,633	1,233,041	709,919	(523,122)
Total revenues	1,406,133	1,524,562	997,063	(527,499)
Expenditures				
Current:				
General government				
Salaries and wages	58,979	63,479	77,715	14,236
Employee benefits	29,134	29,134	29,691	557
Services and supplies	62,901	147,001	100,103	(46,898)
Public Safety				
Services and supplies	-	30,000	11,893	(18,107)
Health and welfare				
Salaries and wages	4,000	5,200	5,086	(114)
Employee benefits	-	-	-	-
Services and supplies	898,282	898,282	455,267	(443,015)
Recreation and culture				
Salaries and wages	3,949	3,949	1,849	(2,100)
Services and supplies	150,550	222,550	26,348	(196,202)
Capital outlay	756,487	1,314,843	486,285	(828,558)
Total expenditures	1,964,282	2,714,438	1,194,237	(1,520,201)
Revenues over (under) expenditures	(558,149)	(1,189,876)	(197,174)	992,702
Other financing sources (uses)				
Transfers in	504,000	504,300	684,000	179,700
Transfers (out)	-	(49,679)	(49,679)	-
Total other financing sources (uses)	504,000	454,621	634,321	179,700
Net changes in fund balances	(54,149)	(735,255)	437,147	1,172,402
Fund balances, beginning of year	1,001,879	1,001,879	1,001,879	-
Fund balances, end of year	\$ 947,730	\$ 266,624	\$ 1,439,026	\$ 1,172,402

NONMAJOR ENTERPRISE FUNDS

Equipment Rental Fund

- Accounts for the reimbursement to the County by Drain districts for the use of county equipment and drain maintenance and repair.

Printing Fund

- Accounts for the reimbursement of the printing department costs by user departments, government entities and agencies.

Engineering Fund

- Accounts for the reimbursement to the County by Drain Districts for the services of engineers, who are employed by the County.

Inmate Commissary Fund

- Used to account for the concession activity for inmates in the county jails.

Revolving Loan Fund

- This fund is used to report activity related to the issuance and repayment of Housing Rehabilitation Loans made to County residents that are eligible to participate in the Community Development Block Grant Housing Rehabilitation Loan program.

COUNTY OF MONROE, MICHIGAN
Combining Statement of Net Assets
Nonmajor Enterprise Funds
December 31, 2005

	Equipment Rental	Printing	Engineering	Inmate Commissary	Revolving Loan	Total
<u>ASSETS</u>						
Assets						
Current assets:						
Cash and cash equivalents	\$ 164,082	\$ 80,332	\$ 68,737	\$ 104,188	\$ 38,462	\$ 455,801
Due from other governments	-	8,956	-	-	-	8,956
Due from component unit	44,862	-	-	-	-	44,862
Total current assets	208,944	89,288	68,737	104,188	38,462	509,619
Noncurrent assets:						
Loans receivable	-	-	-	-	1,509,264	1,509,264
Capital assets, net	30,622	771	-	-	-	31,393
Total noncurrent assets	30,622	771	-	-	1,509,264	1,540,657
<u>TOTAL ASSETS</u>	\$ 239,566	\$ 90,059	\$ 68,737	\$ 104,188	\$ 1,547,726	\$ 2,050,276
<u>LIABILITIES AND NET ASSETS</u>						
Liabilities						
Current liabilities:						
Accounts payable	\$ 446	\$ 554	\$ 55	\$ 6,176	\$ -	\$ 7,231
Accrued wages and fringes	1,255	1,771	2,444	-	-	5,470
Total liabilities	1,701	2,325	2,499	6,176	-	12,701
Net assets						
Invested in capital assets	30,622	771	-	-	-	31,393
Unrestricted	207,243	86,963	66,238	98,012	1,547,726	2,006,182
Total net assets	237,865	87,734	66,238	98,012	1,547,726	2,037,575
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$ 239,566	\$ 90,059	\$ 68,737	\$ 104,188	\$ 1,547,726	\$ 2,050,276

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2005

	Equipment Rental	Printing	Engineering	Inmate Commissary	Revolving Loan	Total
Operating revenues						
Charges for services	\$ 93,839	\$ 142,687	\$ 105,060	\$ 59,202	\$ -	\$ 400,788
Interest on loan repayments	-	-	-	-	6,753	6,753
Other operating revenue	121,938	-	-	-	-	121,938
Total operating revenues	215,777	142,687	105,060	59,202	6,753	529,479
Operating expense						
Cost of services	211,926	160,348	99,067	38,791	11,086	521,218
Depreciation	15,897	1,542	-	-	-	17,439
Total operating expense	227,823	161,890	99,067	38,791	11,086	538,657
Operating income (loss)	(12,046)	(19,203)	5,993	20,411	(4,333)	(9,178)
Net assets, beginning of year	249,911	106,937	60,245	77,601	1,552,059	2,046,753
Net assets, end of year	\$ 237,865	\$ 87,734	\$ 66,238	\$ 98,012	\$ 1,547,726	\$ 2,037,575

COUNTY OF MONROE, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2005

	Equipment Rental	Printing	Engineering	Inmate Commissary	Revolving Loan	Total
Cash flows from operating activities						
Cash received from customers	\$ 238,888	\$ 138,891	\$ 105,060	\$ 59,202	\$ -	\$ 542,041
Collections of housing loan principal	-	-	-	-	89,153	89,153
Collections of housing loan interest	-	-	-	-	6,753	6,753
Cash payments to suppliers for goods and services	(132,958)	(52,196)	(12,987)	(36,213)	-	(234,354)
Cash payments for employee services	(99,786)	(111,864)	(91,947)	-	-	(303,597)
Housing loans issued	-	-	-	-	(101,325)	(101,325)
Net cash provided by (used in) operating activities	6,144	(25,169)	126	22,989	(5,419)	(1,329)
Cash and cash equivalents, beginning of year	157,938	105,501	68,611	81,199	43,881	457,130
Cash and cash equivalents, end of year	\$ 164,082	\$ 80,332	\$ 68,737	\$ 104,188	\$ 38,462	\$ 455,801

(Continued...)

COUNTY OF MONROE, MICHIGAN
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2005

	Equipment Rental	Printing	Engineering	Inmate Commissary	Revolving Loan	Total
Cash flows from operating activities						
Operating income (loss)	\$ (12,046)	\$ (19,203)	\$ 5,993	\$ 20,411	\$ (4,333)	\$ (9,178)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	15,897	1,542	-	-	-	17,439
Bad dept expense	-	-	-	-	11,086	11,086
(Increase) decrease in:						
Due from other governments	-	(3,796)	-	-	-	(3,796)
Due from component unit	23,111	-	-	-	-	23,111
Loans receivable	-	-	-	-	(12,172)	(12,172)
Increase (decrease) in:						
Accounts payable	(15,349)	556	55	2,578	-	(12,160)
Accrued wages and fringes	(485)	205	93	-	-	(187)
Due to other funds	(4,984)	(4,473)	(6,015)	-	-	(15,472)
 Net cash provided by (used in) operating activities	 \$ 6,144	 \$ (25,169)	 \$ 126	 \$ 22,989	 \$ (5,419)	 \$ (1,329)

INTERNAL SERVICE FUNDS

Office Equipment Pool Fund	<ul style="list-style-type: none">• Used to record the operations of an office equipment pool.
Telephone Fund	<ul style="list-style-type: none">• Accounts for the reimbursement of telephone costs by user departments.
Banked Sick Pay Fund	<ul style="list-style-type: none">• Established to record the liability and related costs associated with banked sick pay accumulated prior to July 1, 1986.
Dental Insurance Fund	<ul style="list-style-type: none">• Established to accumulate and disburse monies related to dental insurance claims.
Unemployment Compensation Fund	<ul style="list-style-type: none">• Established to accumulate and disburse monies related to unemployment compensation claims.
Health Insurance Fund	<ul style="list-style-type: none">• Established to accumulate and disburse monies related to health insurance claims.
Workers' Compensation Fund	<ul style="list-style-type: none">• Established to accumulate and disburse monies related to workers' compensation claims.
Long-Term Disability Fund	<ul style="list-style-type: none">• Established in order to pay employee wages and certain benefits while on short or long-term disability.
Liability Insurance Fund	<ul style="list-style-type: none">• Established in order to pay the liability insurance of the County.
Tax Collection Insurance Fund	<ul style="list-style-type: none">• Established to accumulate and disburse monies related to insurance for local entities for tax collection requirements.

COUNTY OF MONROE, MICHIGAN
Combining Statement of Net Assets
Internal Service Funds
December 31, 2005

	Office Equipment Pool	Telephone	Banked Sick Pay	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
ASSETS											
Assets											
Current assets:											
Cash and cash equivalents	\$ 225,703	\$ 113,291	\$ 240,249	\$ 174,561	\$ 7,954	\$ 1,255,221	\$ 284,813	\$ 140,690	\$ 4,757	\$ 7,423	\$ 2,454,662
Investments	-	-	-	-	500,000	1,000,000	-	-	150,000	-	1,650,000
Accounts receivable	-	-	-	-	-	-	-	1,167	-	-	1,167
Interest receivable	-	-	-	-	4,528	9,056	-	-	1,358	-	14,942
Due from other funds	-	-	-	-	-	-	70,000	-	60,000	-	130,000
Total current assets	225,703	113,291	240,249	174,561	512,482	2,264,277	354,813	141,857	216,115	7,423	4,250,771
Noncurrent assets:											
Restricted assets - cash and cash equivalents	-	-	-	-	-	-	-	-	149,661	-	149,661
Capital assets being depreciated, net	394,152	-	-	-	-	-	-	-	-	-	394,152
Total noncurrent assets	394,152	-	-	-	-	-	-	-	149,661	-	543,813
TOTAL ASSETS	\$ 619,855	\$ 113,291	\$ 240,249	\$ 174,561	\$ 512,482	\$ 2,264,277	\$ 354,813	\$ 141,857	\$ 365,776	\$ 7,423	\$ 4,794,584
LIABILITIES AND NET ASSETS											
Liabilities											
Current liabilities:											
Accounts payable	\$ -	\$ 7,616	\$ -	\$ -	\$ -	\$ -	\$ 3,654	\$ 500	\$ -	\$ -	\$ 11,770
Other accrued liabilities	-	-	240,249	42,233	10,240	270,672	112,324	13,054	293,841	-	982,613
Due to other funds	-	-	-	-	-	-	-	60,000	70,000	-	130,000
Total current liabilities	-	7,616	240,249	42,233	10,240	270,672	115,978	73,554	363,841	-	1,124,383
Noncurrent liabilities:											
Advances from other funds	420,629	-	-	-	-	-	-	-	-	-	420,629
Total liabilities	420,629	7,616	240,249	42,233	10,240	270,672	115,978	73,554	363,841	-	1,545,012
Net assets											
Unrestricted (deficit)	199,226	105,675	-	132,328	502,242	1,993,605	238,835	68,303	1,935	7,423	3,249,572
TOTAL LIABILITIES AND NET ASSETS	\$ 619,855	\$ 113,291	\$ 240,249	\$ 174,561	\$ 512,482	\$ 2,264,277	\$ 354,813	\$ 141,857	\$ 365,776	\$ 7,423	\$ 4,794,584

COUNTY OF MONROE, MICHIGAN
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2005

	Office Equipment	Telephone	Banked Sick Pay	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
Operating revenues											
Charges for services	\$ -	\$ 138,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,867
Employer contributions	-	-	-	473,716	260,569	6,429,720	421,703	442,638	880,413	-	8,908,759
Employee contributions	-	-	-	2,104	-	102,063	-	-	-	-	104,167
Other revenue	142,888	-	-	49,850	-	83,851	-	-	4,543	13,249	294,381
Total operating revenues	142,888	138,867	-	525,670	260,569	6,615,634	421,703	442,638	884,956	13,249	9,446,174
Operating expense											
Administrative costs	-	130,138	-	51,203	-	518	21,373	4,645	-	-	207,877
Benefit payments	-	-	-	383,059	60,173	6,145,908	253,791	278,468	-	-	7,121,399
Liability insurance	-	-	-	-	-	-	-	-	1,122,717	6,774	1,129,491
Depreciation	59,578	-	-	-	-	-	-	-	-	-	59,578
Total operating expense	59,578	130,138	-	434,262	60,173	6,146,426	275,164	283,113	1,122,717	6,774	8,518,345
Operating income (loss)	83,310	8,729	-	91,408	200,396	469,208	146,539	159,525	(237,761)	6,475	927,829
Non-operating revenue											
Interest earned on investments	-	-	-	-	14,895	29,722	-	3,460	4,468	-	52,545
Income before transfers	83,310	8,729	-	91,408	215,291	498,930	146,539	162,985	(233,293)	6,475	980,374
Transfers											
Transfers (out)	-	-	-	-	(320,000)	-	-	(320,000)	-	-	(640,000)
Change in net assets	83,310	8,729	-	91,408	(104,709)	498,930	146,539	(157,015)	(233,293)	6,475	340,374
Net assets, beginning of year, as restated	115,916	96,946	-	40,920	606,951	1,494,675	92,296	225,318	235,228	948	2,909,198
Net assets, end of year	\$ 199,226	\$ 105,675	\$ -	\$ 132,328	\$ 502,242	\$ 1,993,605	\$ 238,835	\$ 68,303	\$ 1,935	\$ 7,423	\$ 3,249,572

COUNTY OF MONROE, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2005

	Office Equipment Pool	Telephone	Banked Sick Pay	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
Cash flows from operating activities											
Cash received from customers	\$ 142,888	\$ 148,425	\$ 1,585,240	\$ 525,670	\$ 256,041	\$ 6,700,409	\$ 351,703	\$ 443,838	\$ 823,598	\$ 13,249	\$ 10,991,061
Cash payments to suppliers for goods and services	-	(172,274)	(1,344,991)	-	-	-	-	-	(981,265)	(6,774)	(2,505,304)
Cash payments for employee benefits	-	-	-	(453,362)	(51,207)	(6,151,025)	(412,085)	(226,003)	-	-	(7,293,682)
Net cash provided by (used in) operating activities	142,888	(23,849)	240,249	72,308	204,834	549,384	(60,382)	217,835	(157,667)	6,475	1,192,075
Cash flows from non-capital financing activities											
Transfers out	-	-	-	-	(320,000)	-	-	(320,000)	-	-	(640,000)
Cash flows from capital and related financing activities											
Repayment of long-term advances	(86,388)	-	-	-	-	-	-	-	-	-	(86,388)
Cash flows from investing activities											
Interest received	-	-	-	-	14,895	29,722	-	3,460	4,468	-	52,545
Net increase (decrease) in cash and cash equivalents	56,500	(23,849)	240,249	72,308	(100,271)	579,106	(60,382)	(98,705)	(153,199)	6,475	518,232
Cash and cash equivalents, beginning of year	169,203	137,140	-	102,253	108,225	676,115	345,195	239,395	307,617	948	2,086,091
Cash and cash equivalents, end of year	\$ 225,703	\$ 113,291	\$ 240,249	\$ 174,561	\$ 7,954	\$ 1,255,221	\$ 284,813	\$ 140,690	\$ 154,418	\$ 7,423	\$ 2,604,323

COUNTY OF MONROE, MICHIGAN
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2005

	Office Equipment Pool	Telephone	Banked Sick Pay	Dental Insurance	Unemployment Compensation	Health Insurance	Worker's Compensation	Long-Term Disability	Liability Insurance	Tax Collection Insurance	Total
Cash flows from operating activities											
Operating income (loss)	\$ 83,310	\$ 8,729	\$ -	\$ 91,408	\$ 200,396	\$ 469,208	\$ 146,539	\$ 159,525	\$ (237,761)	\$ 6,475	\$ 927,829
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:											
Depreciation expense	59,578	-	-	-	-	-	-	-	-	-	59,578
(Increase) decrease in:											
Accounts receivable	-	-	-	-	(4,528)	84,775	-	1,200	(1,358)	-	80,089
Due from other governments	-	9,558	-	-	-	-	-	-	-	-	9,558
Due from other funds	-	-	1,585,240	-	-	-	(70,000)	-	(60,000)	-	1,455,240
Increase (decrease) in:											
Accounts payable	-	(42,136)	-	(28,853)	-	-	(3,106)	500	-	-	(73,595)
Other accrued liabilities - IBNR	-	-	-	9,753	8,966	(4,599)	(133,815)	(3,390)	71,452	-	(51,633)
Due to other funds	-	-	-	-	-	-	-	60,000	70,000	-	130,000
Compensated absences payable	-	-	(1,344,991)	-	-	-	-	-	-	-	(1,344,991)
Net cash provided by (used in) operating activities	\$ 142,888	\$ (23,849)	\$ 240,249	\$ 72,308	\$ 204,834	\$ 549,384	\$ (60,382)	\$ 217,835	\$ (157,667)	\$ 6,475	\$ 1,192,075

FIDUCIARY FUNDS

Employees' Retirement System Trust Fund	<ul style="list-style-type: none">• Used to account for the financial operations of the Monroe County Employees' Retirement System. The system is administered by a nine-member board of trustees, while the County acts as the custodian of the system.
Retiree Health Insurance Trust Fund	<ul style="list-style-type: none">• Used to account for the operations of this fund for current retiree hospitalization benefits and their subsequent disbursement.
General Agency Fund	<ul style="list-style-type: none">• Used to account for monies deposited with the County Treasurer that are to be released at a later date.
Current Tax Collection Agency Fund	<ul style="list-style-type: none">• Used to record the collection of current property taxes and their subsequent disbursement to various municipalities, school districts and other governmental units.
Imprest Payroll Agency Fund	<ul style="list-style-type: none">• Used to account for the County's payroll and related withholdings.
Court Orders Agency Fund	<ul style="list-style-type: none">• Used to account for bond and other monies held by the Circuit Court.
Penal Fines Agency Fund	<ul style="list-style-type: none">• Used to account for monies received by the District and Circuit Courts for penal fines that are subsequently disbursed to public libraries.
Escheats Probate Court Agency Fund	<ul style="list-style-type: none">• Used to account for monies that have not been claimed and are subsequently disbursed to the State of Michigan.
Clearing Account Agency Fund	<ul style="list-style-type: none">• Used as a clearing account for the County's disbursements.

COUNTY OF MONROE, MICHIGAN
Combining Statement of Fiduciary Net Assets
Pension and Other Employee Benefit Trust Funds
December 31, 2005

	Employees' Retirement System	Retiree Health Insurance	Total
Assets			
Cash and cash equivalents	\$ -	\$ 134,596	\$ 134,596
Investments at fair value:			
U.S. treasuries	13,492,879	917,915	14,410,794
U.S. agencies	19,816,093	2,068,863	21,884,956
Foreign government bonds	5,425,814	-	5,425,814
Corporate bonds	24,271,721	2,550,699	26,822,420
Bond mutual fund	1,008,562	-	1,008,562
Domestic equities	57,236,570	7,284,774	64,521,344
International equities	9,337,421	-	9,337,421
American depository receipts	25,817,420	-	25,817,420
Money Market investments	6,251,335	433,180	6,684,515
Contributions receivable	188,609	-	188,609
Accounts receivable	48,124	-	48,124
Interest receivable	783,115	-	783,115
Total assets	163,677,663	13,390,027	177,067,690
Liabilities			
Accounts payable	242,600	1,245,731	1,488,331
Foreign currency forward contracts payable	142,944	-	142,944
Total liabilities	385,544	1,245,731	1,631,275
Net assets held in trust for pension benefits and other purposes	<u>\$ 163,292,119</u>	<u>\$ 12,144,296</u>	<u>\$ 175,436,415</u>

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Plan Net Assets
Pension and Other Employee Benefit Trust Funds
For the Year Ended December 31, 2005

	Employees' Retirement System	Retiree Health Insurance	Total
Additions			
Investment income:			
<i>From investing activities</i>			
Net appreciation in fair value of investments	\$ 8,243,059	\$ 16,760	\$ 8,259,819
Interest and dividends	5,121,804	439,615	5,561,419
Total investment gain	13,364,863	456,375	13,821,238
Less: investment management fees	(958,657)	(112,580)	(1,071,237)
Net gain from investing activities	12,406,206	343,795	12,750,001
<i>From securities lending activities</i>			
Gross earnings	973,290	-	973,290
Borrower rebates	(884,915)	-	(884,915)
Security lending fees	(35,340)	-	(35,340)
Net income from securities lending activities	53,035	-	53,035
Total net investment gain	12,459,241	343,795	12,803,036
Contributions:			
Employer	2,034,222	3,068,532	5,102,754
Employee	312,868	233,851	546,719
Time purchase	16,279	-	16,279
Total contributions	2,363,369	3,302,383	5,665,752
Total additions	14,822,610	3,646,178	18,468,788
Deductions			
Benefit payments	6,084,152	2,218,083	8,302,235
Refunds of contributions	835,724	47,757	883,481
Administrative expenses/premiums paid	299,580	26,552	326,132
Total deductions	7,219,456	2,292,392	9,511,848
Net additions to net assets held in trust	7,603,154	1,353,786	8,956,940
Net assets held in trust for pension benefits and other purposes			
Beginning of year, as restated	155,688,965	10,790,510	166,479,475
End of year	\$ 163,292,119	\$ 12,144,296	\$ 175,436,415

COUNTY OF MONROE, MICHIGAN
Combining Statement of Assets and Liabilities
All Agency Funds
December 31, 2005

	General Agency	Current Tax Collection	Imprest Payroll	Court Orders	Penal Fines	Escheats Probate Court	Clearing Account	Total
Assets								
Cash and cash equivalents	\$ 610,749	\$ 1,411,037	\$ 120,308	\$ -	\$ 10,456	\$ 17	\$ -	\$ 2,152,567
Investments	500,000	-	-	-	-	-	-	500,000
Total assets	\$ 1,110,749	\$ 1,411,037	\$ 120,308	\$ -	\$ 10,456	\$ 17	\$ -	\$ 2,652,567
Liabilities								
Accounts payable	\$ 4,397	\$ -	\$ 11,669	\$ -	\$ -	\$ -	\$ -	\$ 16,066
Due to other governments	441,478	-	108,541	-	10,456	-	-	560,475
Undistributed taxes - current levy	-	1,411,037	-	-	-	-	-	1,411,037
Undistributed taxes - other	69,063	-	-	-	-	-	-	69,063
Other undistributed receipts	595,811	-	98	-	-	17	-	595,926
Total liabilities	\$ 1,110,749	\$ 1,411,037	\$ 120,308	\$ -	\$ 10,456	\$ 17	\$ -	\$ 2,652,567

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>General Agency</u>				
Assets				
Cash and cash equivalents	\$ 636,992	\$ 8,604,120	8,630,363	\$ 610,749
Investments	500,000	-	-	500,000
Total assets	\$ 1,136,992	\$ 8,604,120	\$ 8,630,363	\$ 1,110,749
Liabilities				
Accounts payable	\$ 5,179	\$ 8,640,125	\$ 8,640,907	\$ 4,397
Due to other governments	471,108	7,244,096	7,273,726	441,478
Undistributed taxes - other	68,621	118,014	\$ 117,572	69,063
Other undistributed receipts	592,084	1,246,768	1,243,041	595,811
Total liabilities	\$ 1,136,992	\$ 17,249,003	\$ 17,275,246	\$ 1,110,749
<u>Current Tax Collection</u>				
Assets				
Cash and cash equivalents	\$ 2,046,791	\$ 109,232,564	\$ 109,868,318	\$ 1,411,037
Investments	1,500,000	-	1,500,000	-
Total assets	\$ 3,546,791	\$ 109,232,564	\$ 111,368,318	\$ 1,411,037
Liabilities				
Accounts payable	\$ -	\$ 41,130,628	\$ 41,130,628	\$ -
Undistributed taxes - current levy	3,546,791	78,134,101	80,269,855	1,411,037
Total liabilities	\$ 3,546,791	\$ 119,264,729	\$ 121,400,483	\$ 1,411,037

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Imprest Payroll</u>				
Assets				
Cash and cash equivalents	\$ 5,487	\$ 29,641,570	\$ 29,526,749	\$ 120,308
Liabilities				
Accounts payable	\$ 267	\$ 3,779,633	\$ 3,768,231	\$ 11,669
Due to other governments	4,749	8,363,642	\$ 8,259,850	108,541
Other undistributed receipts	471	20,985,715	20,986,088	98
Total liabilities	\$ 5,487	\$ 33,128,990	\$ 33,014,169	\$ 120,308
<u>Court Orders</u>				
Assets				
Cash and cash equivalents	\$ 18	\$ -	\$ 18	\$ -
Liabilities				
Other undistributed receipts	\$ 18	\$ -	\$ 18	\$ -

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<hr/>				
<u>Penal Fines</u>				
Assets				
Cash and cash equivalents	\$ 7,125	\$ 978,946	\$ 975,615	\$ 10,456
	<hr/>			
Liabilities				
Due to other governments	\$ 7,125	\$ 978,946	\$ 975,615	\$ 10,456
	<hr/>			
<u>Escheats Probate Court</u>				
Assets				
Cash and cash equivalents	\$ 13,556	\$ 3,079	\$ 16,618	\$ 17
	<hr/>			
Liabilities				
Other undistributed receipts	\$ 13,556	\$ 3,079	\$ 16,618	\$ 17
	<hr/>			

continued...

COUNTY OF MONROE, MICHIGAN
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2005

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Clearing Account</u>				
Assets				
Cash and cash equivalents	\$ 3,195	\$ 438,874,533	\$ 438,877,728	\$ -
Liabilities				
Accounts payable	\$ 3,195	\$ 3,195	\$ 6,390	\$ -
<u>Total Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 2,713,164	\$ 587,334,812	\$ 587,895,409	\$ 2,152,567
Investments	2,000,000	-	1,500,000	500,000
Total assets	\$ 4,713,164	\$ 587,334,812	\$ 589,395,409	\$ 2,652,567
Liabilities				
Accounts payable	\$ 8,641	\$ 53,553,581	\$ 53,546,156	\$ 16,066
Due to other governments	482,982	16,586,684	16,509,191	560,475
Undistributed taxes - current levy	3,546,791	78,134,101	80,269,855	1,411,037
Undistributed taxes - other	68,621	118,014	117,572	69,063
Other undistributed receipts	606,129	22,235,562	22,245,765	595,926
Total liabilities	\$ 4,713,164	\$ 170,627,942	\$ 172,688,539	\$ 2,652,567

**CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS**

COUNTY OF MONROE, MICHIGAN
Comparative Schedule of Capital Assets Used in the
Operation of Governmental Funds by Source
December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Capital assets used in governmental funds :		
Land and improvements	\$ 625,137	\$ 625,137
Buildings and improvements	48,973,293	48,881,693
Machinery and equipment	12,440,340	10,739,097
Vehicular equipment	2,026,581	2,028,915
Construction in progress	-	660,528
	<hr/>	<hr/>
Total capital assets used in governmental funds	<u>\$ 64,065,351</u>	<u>\$ 62,935,370</u>
Capital assets used in governmental funds by source:		
General fund	\$ 8,950,941	\$ 9,345,406
Special revenue funds	6,200,859	5,709,765
Capital projects funds	48,913,551	47,880,199
	<hr/>	<hr/>
Total capital assets used in governmental funds	<u>\$ 64,065,351</u>	<u>\$ 62,935,370</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

Note: The capital assets used in governmental funds by source schedule was adjusted to reflect the actual source of assets at December 31, 2004.

COUNTY OF MONROE, MICHIGAN
Schedule of Capital Assets Used in the
Operation of Governmental Funds
By Function and Activity
December 31, 2005

	Land and Improvements	Buildings and Improvements	Machinery and Equipment	Vehicular Equipment	Total
General government					
District Court	-	222,542	386,535	21,639	630,716
Probate Court	-	-	34,180	-	34,180
Clerk/Register of Deeds	-	-	245,693	-	245,693
General Services Administration	233,323	16,309,847	2,798,208	92,565	19,433,943
Total general government	233,323	16,532,389	3,464,616	114,204	20,344,532
Public safety					
Law Enforcement and Corrections - Sheriff	-	18,917,990	1,800,451	1,492,735	22,211,176
Youth Center	-	1,327,354	37,226	16,400	1,380,980
Emergency Management Division	-	590,009	618,692	-	1,208,701
Central Dispatch	-	45,000	6,383,280	46,263	6,474,543
Animal Control Division	-	453,077	-	98,409	551,486
Total public safety	-	21,333,430	8,839,649	1,653,807	31,826,886
Public works - Drain Commissioner	-	-	15,982	22,802	38,784
Health and welfare					
Public Health Department	-	2,361,055	47,930	85,569	2,494,554
Community Mental Health	-	2,568,288	-	-	2,568,288
Fairview Infirmary	-	1,459,889	-	-	1,459,889
Total health and welfare	-	6,389,232	47,930	85,569	6,522,731
Community and economic development	-	-	38,764	-	38,764
Culture and recreation					
Historical Commission	-	1,903,322	-	10,580	1,913,902
Parks and Recreation	391,814	159,996	33,399	139,619	724,828
Library System	-	2,654,924	-	-	2,654,924
Total culture and recreation	391,814	4,718,242	33,399	150,199	5,293,654
Total capital assets used in governmental funds	\$ 625,137	\$ 48,973,293	\$ 12,440,340	\$ 2,026,581	\$ 64,065,351

COUNTY OF MONROE, MICHIGAN
Schedule of Changes in Capital Assets Used in the
Operation of Governmental Funds
By Function and Activity
For the Year Ended December 31, 2005

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
General government					
District Court	556,619	74,097	-	-	630,716
Probate Court	34,180	-	-	-	34,180
Clerk/Register of Deeds	245,693	-	-	-	245,693
General Services Administration	19,511,653	515,728	593,438	-	19,433,943
Treasurer	5,500	-	5,500	-	-
Total general government	20,353,645	589,825	598,938	-	20,344,532
Public safety					
Law Enforcement and Corrections - Sheriff	22,181,477	328,424	298,725	-	22,211,176
Youth Center	1,386,015	-	5,035	-	1,380,980
Emergency Management Division	1,102,752	121,694	15,745	-	1,208,701
Central Dispatch	5,519,276	955,267	-	-	6,474,543
Animal Control Division	551,486	-	-	-	551,486
Total public safety	30,741,006	1,405,385	319,505	-	31,826,886
Public works - Drain Commissioner	172,912	-	12,500	(121,628)	38,784
Health and welfare					
Public Health Department	2,462,674	31,880	-	-	2,494,554
Community Mental Health	2,547,634	20,654	-	-	2,568,288
Fairview Infirmary	1,481,924	-	22,035	-	1,459,889
Total health and welfare	6,492,232	52,534	22,035	-	6,522,731
Planning and development	21,540	38,764	21,540	-	38,764
Culture and recreation					
Historical Commission	1,913,902	-	-	-	1,913,902
Parks and Recreation	585,209	17,991	-	121,628	724,828
Library System	2,654,924	-	-	-	2,654,924
Total culture and recreation	5,154,035	17,991	-	121,628	5,293,654
Total capital assets used in governmental funds	\$ 62,935,370	\$ 2,104,499	\$ 974,518	\$ -	\$ 64,065,351

**DRAIN
COMPONENT UNIT**

COUNTY OF MONROE, MICHIGAN
Statement of Net Assets / Governmental Funds Balance Sheet
Drain Commission Component Unit
December 31, 2005

	Debt Service Special Drain	Capital Projects			Total	Adjustments	Statement of Net Assets
		Drain	Special Drain	Drain Revolving			
Assets							
Cash and cash equivalents	\$ 5,972	\$ 1,945,025	\$ 44,960	\$ 127,716	\$ 2,123,673	\$ -	\$ 2,123,673
Special assessments receivable	122,510	524,998	-	-	647,508	-	647,508
Unlevied special assessments	1,053,000	-	-	-	1,053,000	-	1,053,000
Due from other funds	16,656	-	-	509,239	525,895	(525,895)	-
Capital assets, net	-	-	-	-	-	23,407,757	23,407,757
Total assets	\$ 1,198,138	\$ 2,470,023	\$ 44,960	\$ 636,955	\$ 4,350,076	\$ 22,881,862	\$ 27,231,938
Liabilities							
Accounts payable	\$ -	\$ -	\$ 6,000	\$ 36,955	\$ 42,955	\$ -	\$ 42,955
Due to other funds	-	525,895	-	-	525,895	(525,895)	-
Due to primary government	-	44,862	-	-	44,862	-	44,862
Interest payable	-	-	-	-	-	10,183	10,183
Advance from primary government	-	-	-	600,000	600,000	-	600,000
Deferred revenue	1,182,055	686,464	-	-	1,868,519	(1,868,519)	-
Long-term liabilities:							
Due within one year	-	-	-	-	-	309,600	309,600
Due beyond one year	-	-	-	-	-	1,041,700	1,041,700
Total liabilities	1,182,055	1,257,221	6,000	636,955	3,082,231	(1,032,931)	2,049,300
Fund balances							
Unreserved, undesignated	16,083	1,212,802	38,960	-	1,267,845	(1,267,845)	-
Total fund balances	16,083	1,212,802	38,960	-	1,267,845	(1,267,845)	-
Total liabilities and fund balances	\$ 1,198,138	\$ 2,470,023	\$ 44,960	\$ 636,955	\$ 4,350,076		
Net assets							
Invested in capital assets, net of related debt						22,056,457	22,056,457
Restricted for debt service						1,187,955	1,187,955
Restricted for construction						1,938,226	1,938,226
Unrestricted						-	-
Total net assets						\$ 25,182,638	\$ 25,182,638
Total liabilities and net assets						\$ 27,231,938	\$ 27,231,938

COUNTY OF MONROE, MICHIGAN
Statement of Activities / Governmental Funds Revenues,
Expenditures, and Changes in Fund Balances
Drain Commission Component Unit
For the Year Ended December 31, 2005

	Debt Service	Capital Projects			Total	Adjustments	Statement of Activities
	Special Drain	Drain	Special Drain	Drain Revolving			
Revenues							
Special assessments	\$ -	\$ 730,627	\$ 67,176	\$ -	\$ 797,803	\$ (195,747)	\$ 602,056
Charges for services	-	108,561	-	-	108,561	-	108,561
Interest revenue	307	55,671	5,541	-	61,519	-	61,519
Other revenue	-	100	66,321	-	66,421	-	66,421
Total revenues	307	894,959	139,038	-	1,034,304	(195,747)	838,557
Expenditures/Expenses							
Debt service:							
Principal	458,633	-	-	-	458,633	(458,633)	-
Interest and fiscal charges	56,113	-	-	-	56,113	408	56,521
Public works	-	444,510	717,071	-	1,161,581	448,843	1,610,424
Total expenditures/expenses	514,746	444,510	717,071	-	1,676,327	(9,382)	1,666,945
Revenues over (under) expenditures/expenses	(514,439)	450,449	(578,033)	-	(642,023)	(186,365)	(828,388)
Other financing sources (uses)							
Transfers in	524,857	96,537	42,838	-	664,232	(664,232)	-
Transfers (out)	-	(567,695)	(96,537)	-	(664,232)	664,232	-
Proceeds from drain notes	-	-	311,000	-	311,000	(311,000)	-
Total other financing sources (uses)	524,857	(471,158)	257,301	-	311,000	(311,000)	-
Capital Contributions							
Developer contributions	-	-	-	-	-	3,804,810	3,804,810
Change in fund balances / net assets	10,418	(20,709)	(320,732)	-	(331,023)	3,307,445	2,976,422
Fund balances / net assets, beginning of year	5,665	1,233,511	359,692	-	1,598,868	20,607,348	22,206,216
Fund balances / net assets, end of year	\$ 16,083	\$ 1,212,802	\$ 38,960	\$ -	\$ 1,267,845	\$ 23,914,793	\$ 25,182,638

STATISTICAL SECTION

MONROE COUNTY
Net Assets by Component
Last Four Years (A)
(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 31,168,752	\$ 25,272,494	\$ 19,321,982	\$ 20,584,332
Restricted	2,243,437	2,413,275	5,742,120	5,157,304
Unrestricted	37,094,267	10,862,697	27,108,655	32,714,604
Total governmental activities net assets	<u>\$ 70,506,456</u>	<u>\$ 38,548,466</u>	<u>\$ 52,172,757</u>	<u>\$ 58,456,240</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 27,433	\$ 74,045	\$ 48,833	\$ 31,393
Unrestricted	6,499,350	6,723,144	6,689,342	8,431,906
Total business-type activities net assets	<u>\$ 6,526,783</u>	<u>\$ 6,797,189</u>	<u>\$ 6,738,175</u>	<u>\$ 8,463,299</u>
Primary government				
Invested in capital assets, net of related debt	\$ 31,196,185	\$ 25,346,539	\$ 19,370,815	\$ 20,615,725
Restricted	2,243,437	2,413,275	5,742,120	5,157,304
Unrestricted	43,593,617	17,585,841	33,797,997	41,146,510
Total primary government net assets	<u>\$ 77,033,239</u>	<u>\$ 45,345,655</u>	<u>\$ 58,910,932</u>	<u>\$ 66,919,539</u>

(A) - Monroe County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002. Accordingly, data prior to 2002 is not available.

Source: Monroe County Finance Department

MONROE COUNTY
Changes in Net Assets
Last Four Years (A)

(accrual basis of accounting)

	2002	2003	2004	2005
Expenses				
Governmental activities:				
General government	\$ 18,164,870	\$ 17,810,280	\$ 17,781,908	\$ 18,692,546
Public safety	24,910,624	24,035,943	27,174,720	27,191,465
Public works	158,600	518,335	638,423	1,076,479
Health and welfare	10,443,789	11,515,050	11,166,659	11,104,236
Community and economic development	802,985	734,342	832,725	721,829
Recreation and culture	5,771,465	641,762	559,637	593,013
Other activities	70,755	829,875	1,109,005	1,098,830
Interest on long-term debt	589,087	508,342	470,727	435,690
Total governmental activities expenses	<u>60,912,175</u>	<u>56,593,929</u>	<u>59,733,804</u>	<u>60,914,088</u>
Business-type activities:				
Delinquent tax	32,588	99,116	-	102,933
Equipment rental	138,497	99,689	270,452	227,823
Printing	147,985	157,643	165,297	161,890
Engineering	90,877	99,363	98,410	99,067
Inmate Commissary	37,123	49,655	37,046	38,791
Revolving loan	-	-	-	11,086
Total business-type activities expenses	<u>447,070</u>	<u>505,466</u>	<u>571,205</u>	<u>641,590</u>
Total primary government expenses	<u>61,359,245</u>	<u>57,099,395</u>	<u>60,305,009</u>	<u>61,555,678</u>
Program revenues				
Governmental activities:				
Charges for services:				
General government	4,311,770	6,556,146	5,670,054	6,076,183
Public safety	5,959,351	6,202,635	2,063,039	2,198,258
Health and welfare	1,833,578	1,997,615	1,600,143	1,420,800
Community and economic development	49,288	31,706	31,117	13,928
Recreation and culture	259,468	7,465	4,022	2,361
Other activities	-	-	-	471,903
Operating grants and contributions	10,518,822	10,650,357	16,235,565	14,982,978
Capital grants and contributions	693	137,456	5,965,098	-
Total governmental activities program revenues	<u>22,932,970</u>	<u>25,583,380</u>	<u>31,569,038</u>	<u>25,166,411</u>
Business-type activities:				
Charges for services:				
Delinquent tax	-	-	1,083,871	1,389,228
Equipment rental	185,006	120,264	239,052	215,777
Printing	148,042	156,910	154,205	142,687
Engineering	43,568	84,527	106,033	105,060
Inmate commissary	53,602	55,896	52,344	59,202
Revolving loan	-	-	-	6,753
Total business-type activities program revenues	<u>430,218</u>	<u>417,597</u>	<u>1,635,505</u>	<u>1,918,707</u>
Total primary government program revenues	<u>23,363,188</u>	<u>26,000,977</u>	<u>33,204,543</u>	<u>27,085,118</u>
Net (Expense)/Revenue				
Government activities	(37,979,205)	(31,010,549)	(28,164,766)	(35,747,677)
Business-type activities	<u>(16,852)</u>	<u>(87,869)</u>	<u>1,064,300</u>	<u>1,277,117</u>
Total primary government net expense	<u>(37,996,057)</u>	<u>(31,098,418)</u>	<u>(27,100,466)</u>	<u>(34,470,560)</u>

Continued...

MONROE COUNTY
Changes in Net Assets (Concluded)
Last Four Fiscal Years (A)
(accrual basis of accounting)

	2002	2003	2004	2005
General Revenues				
Governmental activities:				
Property taxes	\$ 30,902,856	\$ 27,672,966	\$ 36,717,917	\$ 38,059,005
Unrestricted grants and contributions	3,768,647	2,597,140	2,592,308	3,367,087
Rents and other revenue	3,627,274	1,161,546	676,881	-
Investment earnings	808,397	587,589	502,858	1,077,198
Transfers	(1,171,789)	1,106,902	1,130,883	1,145,000
Total governmental activities	<u>37,935,385</u>	<u>33,126,143</u>	<u>41,620,847</u>	<u>43,648,290</u>
Business-type activities:				
Unrestricted grants and contributions	1,038,224	966,672	-	-
Rents and other revenue	3,689	-	-	-
Investment earnings	-	34,692	7,566	40,945
Transfers	(782,930)	(1,106,902)	(1,130,883)	(1,145,000)
Total business-type activities	<u>258,983</u>	<u>(105,538)</u>	<u>(1,123,317)</u>	<u>(1,104,055)</u>
Total primary government	<u>38,194,368</u>	<u>33,020,605</u>	<u>40,497,530</u>	<u>42,544,235</u>
Change in Net Assets				
Government activities	(43,820)	2,115,594	13,456,081	7,900,613
Business-type activities	<u>242,131</u>	<u>(193,407)</u>	<u>(59,017)</u>	<u>173,062</u>
Total primary government	<u>\$ 198,311</u>	<u>\$ 1,922,187</u>	<u>\$ 13,397,064</u>	<u>\$ 8,073,675</u>

(A) - Monroe County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002. Accordingly, data prior to 2002 is not available.

Source: Monroe County Finance Department

MONROE COUNTY
Fund Balances - Governmental Funds
Last Four Years (A)
(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General Fund				
Reserved	\$ 934,307	\$ 989,833	\$ 936,648	\$ 899,437
Unreserved	<u>7,565,188</u>	<u>8,196,377</u>	<u>8,686,349</u>	<u>8,856,487</u>
Total general fund	<u>\$ 8,499,495</u>	<u>\$ 9,186,210</u>	<u>\$ 9,622,997</u>	<u>\$ 9,755,924</u>
 All Other Governmental Funds				
Reserved	\$ 2,258,176	\$ 2,865,794	\$ 1,941,891	\$ 2,264,850
Unreserved, reported in:				
Special revenue funds	9,569,258	7,763,742	15,935,628	21,079,048
Debt service funds	-	-	1,020,864	497,918
Capital projects funds	<u>2,172,996</u>	<u>2,048,154</u>	<u>1,991,284</u>	<u>2,819,189</u>
Total all other governmental funds	<u>\$ 14,000,430</u>	<u>\$ 12,677,690</u>	<u>\$ 20,889,667</u>	<u>\$ 26,661,005</u>

(A) - Monroe County implemented GASB Statement No. 34 as of and for the year ended December 31, 2002. Accordingly, data prior to 2002 is not available.

Source: Monroe County Finance Department

MONROE COUNTY
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Revenues										
Taxes	\$ 22,429,069	\$ 23,383,502	\$ 25,198,929	\$ 25,290,631	\$ 26,376,794	\$ 29,171,134	\$ 30,489,470	\$ 27,672,966	\$ 36,717,917	\$ 38,059,005
Licenses and permits	473,562	489,617	504,321	506,205	508,910	515,211	518,553	536,555	584,690	558,533
Intergovernmental and local units	27,760,540	12,069,889	14,396,605	14,722,761	17,510,610	14,737,989	15,773,253	14,841,696	22,200,448	14,982,978
Charges for services	5,338,960	5,744,070	5,905,406	5,745,034	7,035,495	7,644,348	9,208,073	10,000,720	7,796,951	7,897,298
Fines and forfeits	1,368,571	1,420,980	1,400,404	1,793,627	1,697,437	1,784,057	1,841,398	942,842	986,734	894,199
Interest and rents	1,718,327	1,766,697	1,894,748	2,348,353	2,913,337	2,338,658	1,411,801	1,211,256	1,150,719	1,858,056
Other revenue	1,493,620	1,625,412	1,566,359	1,314,056	2,060,649	2,110,074	2,342,901	2,367,781	2,592,523	3,367,087
Total revenues	60,582,649	46,500,167	50,866,772	51,720,667	58,103,232	58,301,471	61,585,449	57,573,816	72,029,982	67,617,156
Expenditures										
General government	11,928,911	12,627,029	13,989,369	14,134,248	15,057,940	15,986,061	16,633,427	16,892,573	17,246,547	18,046,823
Public safety	12,583,273	14,345,249	14,712,930	16,647,085	18,991,944	21,207,638	22,841,483	23,001,541	26,527,113	25,296,981
Public works	171,545	130,875	192,829	124,719	177,830	262,526	93,817	513,775	633,863	1,071,919
Health and welfare	27,452,188	9,779,671	10,038,282	9,784,292	9,889,347	10,627,030	10,278,297	11,369,139	11,128,600	11,934,932
Community and economic development	594,236	521,918	478,368	755,633	860,034	721,293	802,985	734,342	843,392	579,605
Recreation and culture	3,389,250	3,431,834	3,653,805	3,236,772	3,192,446	3,947,080	4,320,936	519,366	434,201	465,329
Other activities	462,430	463,883	466,495	11,702	68,673	33,123	70,755	1,100,877	1,109,005	1,102,073
Capital outlay	1,104,254	2,249,428	2,874,943	5,997,750	8,995,007	2,540,148	2,534,338	1,393,393	8,070,997	2,104,501
Debt service	1,181,885	1,157,195	1,214,556	1,928,420	1,950,923	2,095,329	2,073,111	1,991,287	2,458,382	2,557,027
Total expenditures	58,867,972	44,707,082	47,621,577	52,620,621	59,184,144	57,420,228	59,649,149	57,516,293	68,452,100	63,159,190
Revenues over (under) expenditures	1,714,677	1,793,085	3,245,195	(899,954)	(1,080,912)	881,243	1,936,300	57,523	3,577,882	4,457,966
Other financing sources (uses)										
Issuance of debt	500,000	-	9,927,237	-	-	-	-	-	3,300,000	-
Transfers in	6,454,760	6,718,047	8,867,722	8,759,718	9,686,824	10,206,907	10,630,866	11,374,553	11,723,438	14,622,693
Transfers out	(6,756,866)	(7,404,130)	(9,601,340)	(9,529,577)	(10,433,035)	(11,028,372)	(11,190,894)	(9,497,831)	(9,952,555)	(12,837,693)
Total other financing sources (uses)	197,894	(686,083)	9,193,619	(769,859)	(746,211)	(821,465)	(560,028)	1,876,722	5,070,883	1,785,000
Net changes in fund balances	\$ 1,912,571	\$ 1,107,002	\$ 12,438,814	\$ (1,669,813)	\$ (1,827,123)	\$ 59,778	\$ 1,376,272	\$ 1,934,245	\$ 8,648,765	\$ 6,242,966
Debt services as a percentage of noncapital expenditures	2.0%	2.7%	2.7%	4.1%	3.9%	3.8%	3.6%	3.5%	4.1%	4.2%

Source: Monroe County Finance Department

MONROE COUNTY
Assessed and Estimated True Cash Value of Taxable Property
Last Ten Years

Tax Year	Residential Property	Agricultural Property	Commercial Property	Industrial Property	Developmental Property	Personal Property	Total Assessed Value	Total Direct Tax Rate	Estimated True Cash Value
1995	\$ 1,672,734,620	\$ 199,611,104	\$ 302,725,240	\$ 1,173,899,992	\$ 9,250,679	\$ 397,885,826	\$ 3,756,177,461	5.4993	\$7,516,866,797
1996	1,826,817,077	203,217,710	315,239,064	1,190,330,292	9,529,645	402,218,597	3,953,328,720	5.4993	7,935,516,872
1997	2,022,336,487	215,220,767	336,318,941	1,216,879,975	11,093,360	425,983,111	4,227,832,641	5.4993	8,505,370,813
1998	2,281,065,370	236,486,525	387,553,637	1,195,880,912	10,585,016	436,318,417	4,547,889,877	5.4993	9,130,912,500
1999	2,526,263,958	256,010,571	410,396,822	1,241,148,971	11,691,282	463,209,239	4,908,720,843	5.4907	9,855,358,768
2000	2,771,861,752	282,504,066	471,904,770	1,234,191,169	11,011,878	446,051,149	5,217,524,784	5.4843	10,475,156,705
2001	3,066,123,121	293,630,302	519,720,689	1,163,041,197	11,622,138	471,793,096	5,525,930,543	5.4843	11,112,871,803
2002	3,343,306,250	316,306,273	588,621,309	1,127,474,795	12,978,813	488,638,678	5,877,326,118	5.4768	11,823,516,893
2003	3,591,071,882	342,155,453	638,975,155	1,113,076,146	16,428,886	464,976,294	6,166,683,816	5.3773	12,412,251,677
2004	3,868,050,728	373,425,880	695,883,009	1,081,071,159	24,187,555	475,914,307	6,518,532,638	5.4046	13,110,642,494

Note: Residential, commercial and industrial values are calculated without tax-exempt values.

Note: Taxes levied in December 2004 are used to fund operations in fiscal year 2005.

Source: County Equalization Department figures, exclusive of Industrial and Commercial Facility Tax and prior to any Board of Review actions.

MONROE COUNTY
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of taxable value)

		Tax levy year									
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
County direct rates											
Operation		\$ 4.85	\$ 4.85	\$ 4.85	\$ 4.85	\$ 4.84	\$ 4.84	\$ 4.84	\$ 4.83	\$ 4.79	\$ 4.81
Jail bond		0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.10	0.11
Senior citizen		0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.48	0.49
Total direct rate		5.50	5.50	5.50	5.50	5.49	5.49	5.49	5.49	5.38	5.40
Overlapping rates											
Cities:											
Luna Pier		10.55	10.20	10.30	11.31	13.69	13.34	13.12	12.76	10.07	11.11
Milan		17.99	17.99	17.99	16.51	17.50	17.49	18.96	19.21	18.83	18.82
Monroe		15.42	14.64	14.53	14.48	14.75	15.32	15.32	15.33	15.34	15.46
Petersburg		23.80	23.59	22.91	22.57	21.96	21.10	23.94	21.38	21.57	20.34
Townships (average)	(A)	2.87	3.04	2.90	2.86	2.87	2.94	2.64	2.87	2.91	2.91
School districts (average)	(B)	26.92	26.85	26.53	26.65	26.43	27.08	27.51	27.41	25.99	26.97
Intermediate school districts (average)	(C)	3.99	3.99	4.23	4.20	4.14	4.40	4.38	4.72	4.69	4.92
Community college		2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.19	2.18	2.19
Library		0.49	0.49	0.49	0.49	0.49	0.82	0.82	0.82	0.81	1.00
(A) - Rates range from:											
Low		0.83	0.86	0.86	0.85	0.78	0.77	0.76	0.75	0.74	0.73
High		7.86	7.46	6.99	7.01	6.97	7.94	7.84	8.44	9.33	9.39
(B) - Rates range from:											
Low		24.00	24.00	24.00	24.00	23.75	23.75	23.75	23.75	22.75	23.75
High		33.25	31.00	31.00	31.00	30.93	35.00	32.82	32.04	31.01	32.01
(C) - Rates range from:											
Low		2.00	2.00	2.00	2.00	1.99	1.98	1.98	3.07	3.06	3.46
High		6.69	6.69	6.69	6.68	6.61	7.71	7.64	7.55	7.49	7.41

Note: Taxes levied in December 2004 are used to fund operations in fiscal year 2005.

Source: Monroe County Equalization Office

MONROE COUNTY
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2004 tax levy			1995 tax levy		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Detroit Edison	\$ 926,493,641	1	14.21%	\$ 1,143,735,822	1	30.45%
Ford Motor Company/Visteon	89,262,210	2	1.37%	95,601,450	2	2.55%
Consumers Power Co.	73,703,660	3	1.13%	67,037,609	3	1.78%
Holman Inc. (Holcim)	33,857,906	4	0.52%	24,686,206	5	0.66%
Macsteel Monroe (formerly North Star)	31,053,570	5	0.48%	25,643,800	4	0.68%
Goodwill Co. (Meijer)	24,977,765	6	0.38%	17,930,424	7	0.48%
International Transmission Co.	22,189,043	7	0.34%	-	-	
Cabela'a	18,816,918	8	0.29%	-	-	
Frenchtown Square	17,262,658	9	0.26%	14,844,185	8	0.40%
Guardian Industries	12,289,984	10	0.19%	8,596,200	10	
Michigan Gas Utilities				17,985,155	6	0.48%
Tenneco				9,003,059	9	0.24%
	<u>\$ 1,249,907,355</u>		<u>19.17%</u>	<u>\$ 1,425,063,910</u>		<u>37.71%</u>

Source: Monroe County Equalization Department.

MONROE COUNTY
Property Tax Levies and Collections
Last Ten Years

Tax levy Year	Adjusted Taxes Levied		Collected within the Fiscal Year of the Levy		Purchased by Tax Revolving Fund	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
1995	\$	20,212,321	\$ 19,406,263	96.01%	\$ 769,516	\$ 20,175,779	99.82%
1996		21,021,686	20,130,175	95.76%	838,533	20,968,708	99.75%
1997		21,919,008	20,965,852	95.65%	894,150	21,860,002	99.73%
1998		22,825,218	21,782,138	95.43%	971,848	22,753,986	99.69%
1999		23,832,810	22,789,054	95.62%	986,761	23,775,815	99.76%
2000		24,559,624	23,391,875	95.25%	1,080,464	24,472,339	99.64%
2001		25,683,425	24,480,552	95.32%	1,055,116	25,535,668	99.42%
2002		26,781,979	25,486,802	95.16%	1,167,505	26,654,307	99.52%
2003		27,147,744	25,754,590	94.87%	1,283,880	27,038,470	99.60%
2004		28,460,227	26,906,643	94.54%	1,432,657	28,339,300	99.58%

Note: Taxes levied in December 2004 are used to fund operations in fiscal year 2005.

Source: Monroe County Treasurer's Office

MONROE COUNTY
Ratios of Outstanding Debt by Type
Primary Government
Last Ten Years

Year	General Bonded Debt Outstanding			Other Governmental Activities Debt		Business Type Activities		Total Primary Government	% of Personal Income	Per Capita
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal		Installment Loans	General Obligation Tax Notes	Installment Loans				
							Total			
1996	\$ 8,640,000	\$ (390,728)	\$ 8,249,272	\$ 500,000	\$ 7,875,000	\$ 17,951	\$ 16,642,223	0.50%	\$ 118.50	
1997	7,935,000	(484,470)	7,450,530	341,343	3,589,000	168,231	11,549,104	0.21%	\$ 81.27	
1998	16,685,000	(564,814)	16,120,186	614,400	1,000,000	135,595	17,870,181	0.42%	\$ 124.65	
1999	15,500,000	(861,990)	14,638,010	343,220	2,186,000	100,407	17,267,637	0.36%	\$ 119.16	
2000	14,290,000	(989,347)	13,300,653	247,173	717,000	62,685	14,327,511	0.31%	\$ 97.80	
2001	12,980,000	(1,090,780)	11,889,220	144,370	-	18,552	12,052,142	0.28%	\$ 81.47	
2002	11,620,000	(1,695,657)	9,924,343	-	-	-	9,924,343	0.23%	\$ 66.51	
2003	10,230,000	(1,827,271)	8,402,729	-	-	-	8,402,729	0.19%	\$ 55.69	
2004	8,575,000	(1,826,310)	6,748,690	2,969,939	-	-	9,718,629	0.15%	\$ 63.75	
2005	7,095,000	(1,254,791)	5,840,209	2,351,743	-	-	8,191,952	0.13%	\$ 53.22	

Source: Monroe County Finance Department

MONROE COUNTY
Computation of Net Direct and Overlapping Debt
As of December 31, 2005

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
DIRECT DEBT			
Building authority bonds	\$7,295,000	\$ -	\$ 7,295,000
Water bonds	35,825,000	35,825,000	-
Sewer bonds	18,455,000	18,455,000	-
Drain bonds	945,000	152,594	792,406
MTF notes/bonds (a)	<u>6,120,000</u>	<u>6,120,000</u>	<u>-</u>
Net direct debt	<u>\$ 68,640,000</u>	<u>\$ 61,345,000</u>	<u>\$ 8,087,406</u>
 (a) No County credit pledged on \$2,4500,000.			
OVERLAPPING DEBT			
School Districts			94,984,572
Cities			21,327,462
Townships			51,066,206
Villages			<u>30,846,026</u>
Net overlapping debt			<u>198,224,266</u>
NET DIRECT AND OVERLAPPING DEBT			<u><u>206,311,672</u></u>

Source: Municipal Advisory Council of Michigan

MONROE COUNTY
Legal Debt Margin
Last Ten Years

Legal Debt Margin Calculation for 2005

Assessed value (December 2004 levy)	\$	6,518,266,172
Debt limit (10% of assessed value)		651,826,617
Debt applicable to limit:		
Long term debt including component units		73,028,747
Less: Amount set aside for repayment of general obligation debt		(1,520,914)
Total net debt applicable to limit		<u>71,507,833</u>
Legal debt margin	\$	<u>580,318,784</u>

Fiscal year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
1996	\$ 374,486,072	\$ 64,164,899	\$ 310,321,173	20.68%
1997	395,246,988	58,137,808	337,109,180	17.25%
1998	422,757,023	56,844,162	365,912,861	15.53%
1999	454,685,249	52,652,960	402,032,289	13.10%
2000	490,803,240	56,490,321	434,312,919	13.01%
2001	521,721,687	56,409,882	465,311,805	12.12%
2002	552,593,154	60,099,882	492,493,272	12.20%
2003	587,666,449	55,488,400	532,178,049	10.43%
2004	616,668,382	63,319,200	553,349,182	11.44%
2005	651,826,617	71,507,833	580,318,784	12.32%

Source: Monroe County Finance Department

MONROE COUNTY
Demographic and Economic Statistics
Last Ten Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment Rate
1996	140,446	\$ 3,338,241	\$ 23,769	4.00%
1997	142,110	3,542,979	24,931	3.80%
1998	143,365	3,793,886	26,463	3.10%
1999	144,913	4,085,851	28,195	3.00%
2000	146,501	4,281,285	29,224	3.10%
2001	147,942	4,239,589	28,657	4.50%
2002	149,225	4,280,535	28,685	5.60%
2003	150,888	4,513,796	29,915	7.30%
2004	152,451	4,513,796 (a)	29,608	6.20%
2005	153,935	4,513,796 (a)	29,323	6.00%

(a) Updated data not available at the time of publication.

Sources: U.S. Census Bureau, U.S. Department of Commerce
Michigan Department of Career Development Employment Service Agency
Michigan Economic Development Corporation

MONROE COUNTY
Principal Employers

Employer	2004			1998		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Visteon Corp.	2,000	1	3.39%	1,400	2	2.58%
International Trans Co.	1,480	2	2.51%	-	-	0.00%
Mercy Memorial Hospital	1,350	3	2.29%	811	4	1.49%
Meijer Inc.	900	4	1.53%	900	3	1.66%
Detroit Edison Corp.	877	5	1.49%	1,480	1	2.72%
Monroe Public Schools	803	6	1.36%	803	5	1.48%
Monroe County	786	7	1.33%	786	6	1.45%
Bedford Public Schools	700	8	1.19%	515	7	0.95%
Cabela's	600	9	1.02%	-	-	0.00%
North Star Steel	543	10	0.92%	-	-	0.00%
Monroe Auto Equipment				500	8	0.92%
Guardian Industries Corp.				500	8	0.92%
La-Z-Boy Inc				500	8	0.92%
	<u>10,039</u>		<u>17.04%</u>	<u>8,195</u>		<u>15.08%</u>

Source: Michigan Economic Development Corporation and Monroe County Industrial Development Corp

Note: principal employer data was not available for 2005 and 1996. The most comparable data to each year is shown.

MONROE COUNTY
Full-Time County Primary Government Employees by Function/Program
Last Ten Years

Function/Program	Full-time Employees as of December 31									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Board of Commissioners	11.0	11.0	11.0	12.0	12.0	12.0	11.0	11.0	10.0	10.0
Circuit Court	12.0	12.0	8.0	8.0	6.4	11.6	6.4	8.6	6.4	6.4
District Court	45.0	45.0	46.0	45.0	47.0	45.2	48.0	48.0	48.0	48.0
Probate/Family Court	22.0	23.0	29.0	31.0	33.6	25.4	30.6	28.4	29.6	28.6
Administrator/CFO	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Finance	6.3	5.5	6.2	6.0	6.0	6.0	6.0	5.0	5.0	5.0
County Clerk	19.0	19.0	21.0	22.0	22.0	22.0	23.0	23.0	19.0	19.0
Register of Deeds	-	-	-	-	-	-	-	-	3.0	3.0
Equalization	7.0	7.0	7.0	7.0	7.0	7.0	8.0	7.0	6.0	6.0
Human Resources	4.0	5.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Prosecuting Attorney	19.0	20.0	21.0	21.0	23.0	21.0	22.0	22.0	22.0	22.0
Retirement Board	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Treasurer	8.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	6.0
County Extension	7.0	7.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0
Information Services	4.7	4.5	2.0	3.5	5.5	4.5	7.5	7.5	6.5	6.5
Purchasing & Property Maintenan	19.0	19.0	20.8	19.0	18.0	19.0	19.0	19.0	18.0	19.0
Drain Commissioner	10.0	11.0	12.0	12.0	12.0	13.0	6.0	6.0	8.0	8.0
Parks maintenance	-	-	-	-	-	-	6.0	6.0	3.0	3.0
Friend of the Court	35.0	35.0	38.0	39.0	39.0	39.0	39.0	39.0	36.0	37.0
Public Safety										
Sheriff	98.0	101.0	101.0	100.0	102.0	110.0	110.0	108.0	106.0	113.0
Emergency Management	3.0	3.0	3.5	3.5	3.5	2.5	3.5	3.0	2.0	3.0
Animal Control	8.0	8.0	6.0	6.0	6.0	5.0	6.0	6.0	5.0	5.0
Jail/Corrections	43.0	44.0	53.0	91.0	99.0	95.0	95.0	97.0	98.0	89.0
Central Dispatch	18.0	18.0	18.0	24.0	25.0	25.0	25.0	25.0	24.0	24.0
Drug Court	-	-	-	-	-	-	-	1.0	1.0	1.0
Juvenile Justice Programs	-	-	-	-	-	1.0	2.0	2.0	2.0	2.0
Youth Center	37.0	36.0	36.0	36.0	36.0	37.0	39.0	36.0	34.7	35.0
Health and Welfare										
Medical Examiner	1.1	1.1	1.1	0.9	0.1	1.0	0.1	0.1	0.1	0.1
Commission on Aging	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	1.0
Veterans Services	2.0	2.0	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0
Public Health	43.4	45.4	45.4	42.7	40.8	41.4	35.0	33.8	30.3	26.6
Environmental Health	12.0	13.0	13.0	13.0	13.0	11.0	11.4	9.9	8.4	10.0
Fairview	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	8.7	9.3
Community and Economic Development										
Planning	7.9	7.9	7.9	6.9	6.9	6.9	6.9	6.9	6.9	6.9
Recreation and Cultural										
Historical Commission	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	4.7	4.7
Enterprise Activities										
Printing	2.0	2.0	2.0	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Engineering	1.0	1.0	1.0	1.0	1.0	-	1.0	1.0	1.0	1.0
Total	522.4	531.4	546.4	590.1	604.5	601.2	607.0	599.3	575.3	572.3

Source: Monroe County Finance Department

MONROE COUNTY
Operating Indicators by Function/Program
Last Ten Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
District Court cases	NA	41,656	38,107	39,007	42,679	41,673	48,745	47,738	45,050	48,247
Circuit Court cases	NA	4,978	4,995	5,308	5,587	5,536	5,103	4,944	5,115	3,452
Delinquent tax roll/ taxes returned delinquent	\$ 769,516	\$ 838,533	\$ 894,150	\$ 971,848	\$ 986,761	\$ 1,081,480	\$ 1,055,116	\$ 1,167,505	\$ 1,296,551	\$ 1,432,657
Public Safety										
Jail capacity	126	126	184	184	363	363	363	363	363	363
Certified Police Officers	73	73	75	93	93	93	93	93	93	93
Traffic infractions	NA	30,170	26,317	25,374	30,623	29,195	35,262	32,990	31,371	NA
Health										
Public Health:										
Vaccines administered	NA	21,261	22,241	21,155	19,700	22,164	16,554	15,883	11,739	9,057
WIC average monthly caseload	NA	2,833	2,833	2,682	NA	2,661	2,661	2,709	3,053	3,080
Maternal and Infant support clients	NA	318	293	174	217	196	275	283	252	262
Senior Services:										
Annual client contacts	NA	NA	NA	NA	NA	NA	NA	NA	75,721	90,619
Culture & Recreation										
County owned park acres	323	323	323	323	323	323	323	323	323	323

NA - information not available at time of report preparation

Source: Monroe County Finance Department, Monroe County Treasurer's Office, Monroe County Health Department, Monroe County Commission on Aging

MONROE COUNTY
Capital Asset Statistics by Function/Program
Last Ten Years

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Public Safety										
Corrections facility capacities	126	126	184	184	363	363	363	363	363	363
Sheriff Patrol Vehicles	48	48	49	51	61	61	61	61	61	63
Animal Control vehicles	10	8	8	7	7	8	10	10	7	7
Marine Safety - Boats	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Park acreage	323	323	323	323	323	323	323	323	323	323
County parks	5	5	5	5	5	6	6	6	6	6
Service vehicles (trucks etc)	7	7	7	7	8	7	7	7	7	7
Buildings:										
Park Pavilions	10	10	10	10	10	10	10	10	10	10
Historical Commission Buildings	5	5	5	5	5	5	5	5	5	5
Public Health										
Inspection vehicles	4	4	4	4	4	4	4	4	5	6
Public Works										
Primary Road Miles	429	429	429	429	429	429	429	429	429	429
Local Road Miles	933	933	933	933	933	933	933	933	933	933
State Road Miles	165	165	165	165	165	165	165	165	165	165

Source: Monroe County Finance Department

**COUNTY OF MONROE,
MICHIGAN**

SINGLE AUDIT

For the Year Ended December 31, 2005



REHMANN ROBSON

Certified Public Accountants

COUNTY OF MONROE, MICHIGAN SINGLE AUDIT

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MONROE COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005 Audit

Federal Agency/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grant Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Direct Program-			
U.S.D.A. Food Distribution - Entitlement Commodities	10.550	-n/a-	\$ 156
Passed-through the Michigan Department of Education:			
School Breakfast Program	10.553	58-000-8001	14,404
National School Lunch Program	10.555	58-000-8001	22,853
Passed-through the Michigan Department of Community Health- Women, Infants and Children:	10.557		
2004/2005		20050054	265,398
2005/2006		20060110	83,796
Passed-through the Michigan Department of Labor and Economic Growth and Southeast Michigan Community Alliance (SEMCA)- State Administration Matching Grants for Food Stamp Program:	10.561		
2004/2005		04-02-0004	34,363
2005/2006		05-02-0004	12,377
Passed-through the Farm Service Agency- Conservation Reserve Program	10.069	0286	4,908
Total U.S. Department of Agriculture			438,255
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed-through Michigan State Housing Development Authority- Community Development Block Grant/State's Program	14.228	MSC-2005-0780-HOA	54,491
U.S. DEPARTMENT OF JUSTICE			
Direct Programs:			
Edward Byrne Memorial Justice Assistance Grant	16.580	2005-DJ-BX-0007	7,694
Drug Court Discretionary Grant Program	16.585	2002-DC-BX-0040	66,164
Local Law Enforcement Block Grant:	16.592		
FY 2003 Local Law Enforcement Block Grant		2003-LB-BX-2765	7,063
FY 2004 Local Law Enforcement Block Grant		2004-LB-BX-1182	1,867
Bulletproof Vest Partnership Program	16.607	-n/a-	4,275
Public Safety Partnership and Community Policing Grant:	16.710		
COPS Homeland Security Overtime Program		2003OMWX0119	13,625
COPS in Schools Program		2002SHWX0353	81,108

continued...

The accompanying notes are an integral part of this schedule

MONROE COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2005 Audit

Federal Agency/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grant Number	Expenditures
U.S. DEPARTMENT OF JUSTICE (concluded)			
Passed-through the Michigan Family Independence Agency:			
Juvenile Accountability Incentive Block Grant:	16.523		
2004/2005		JAIBG-04-58001	\$ 8,647
2005/2006		JAIBG-05-58001	26,172
Juvenile Justice and Delinquency Prevention:	16.540		
Active Balanced Community Initiative		JJ-BRC-05-58001	96,054
Active Balanced Community Initiative			<u>8,299</u>
Total U.S. Department of Justice			<u>320,968</u>
U.S. DEPARTMENT OF LABOR			
Passed-through the Michigan Department of Labor and Economic Growth and Southeast Michigan Community Alliance (SEMCA):			
Employment Service:	17.207		
2004/2005		04-02-0004	133,518
2005/2006		05-02-0004	94,258
Employment Service - TAA/NAFTA:	17.207		
2004/2005		04-02-0004	5,734
2005/2006		05-02-0004	1,502
Reed Act:	17.225		
2004/2005		04-02-0004	64,743
2005/2006		05-02-0004	25,273
WIA Adult Program:	17.258		
2004/2005		04-02-0004	94,543
2005/2006		05-02-0004	99,461
WIA Dislocated Worker Program:	17.260		
2004/2005		04-02-0004	163,009
2005/2006		05-02-0004	<u>138,030</u>
Total U.S. Department of Labor			<u>820,071</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Passed-through Michigan Office of Highway Safety Planning- State and Community Highway Safety:	20.600		
Intersection Enforcement Grant		RS-06-06	11,339
Intersection Enforcement Grant		RS-05-05	50,167
Drive Michigan Safety Task Force		PT-06-12	3,743
Drive Michigan Safety Task Force		PT-05-06	<u>74,586</u>
Total U.S. Department of Transportation			<u>139,835</u>

continued...

The accompanying notes are an integral part of this schedule

MONROE COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards (continued)
For the Year Ended December 31, 2005 Audit

Federal Agency/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grant Number	Expenditures
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Passed through Michigan Department of Environmental Quality:			
State Indoor Radon Grants	66.032	-n/a-	\$ 2,000
Arsenic Rule Implementation	66.471	-n/a-	675
Operators of Small Water Systems Certification and Training	66.471	-n/a-	<u>4,200</u>
Total U.S. Environmental Protection Agency			<u>6,875</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed-through the Michigan Family Independence Agency:			
Child Support Enforcement:	93.563		
Title IV Incentive Payments		na	352,895
Friend of the Court/Prosecutor combined:			
2004/2005		CS/COM-05-58003	1,081,589
2005/2006		CS/COM-06-58003	389,109
Medical Support Enforcement-			
2004/2005		CSMED-05-58003	16,539
Foster Care Title IV E:	93.658		
2004/2005		Profc-04-58001	41
2005/2006		Profc-05-58001	14,147
Passed-through the Michigan Department of Labor and Economic Growth and Southeast Michigan Community Alliance (SEMCA)-			
Temporary Assistance for Needy Families-	93.558		
Work First Program:			
2004/2005		04-02-0004	520,496
2005/2006		05-02-0004	204,937
Passed-through the Michigan Department of Community Health-			
Family Planning Services:	93.217		
2004/2005		20050054	67,081
2005/2006		20060110	20,859
Immunization Grants:	93.268		
Federally supplied vaccines		na	485,908
Vaccine Handling		20050054	2,838
Immunization Assessment			
2004/2005		20050054	41,881
2005/2006		20060110	14,007
Center for Disease Control & Prevention -			
Investigations and Technical Assistance:	93.283		
2004/2005		20050054	170,404
2005/2006		20060110	35,033

continued...

The accompanying notes are an integral part of this schedule

MONROE COUNTY, MICHIGAN
Schedule of Expenditures of Federal Awards (concluded)
For the Year Ended December 31, 2005 Audit

Federal Agency/Pass-Through Grantor/Program Title	CFDA Number	Pass-Through Grant Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (concluded)			
Medical Assistance Program:	93.778		
CSHCS Case Management Services:			
2004/2005		20050054	\$ 6,456
2005/2006		20060110	4,445
CSHCS Care Coordination:			
2004/2005		20050054	19,970
2005/2006		20060110	6,471
HIV Prevention Activities - Health Department Based:	93.940		
2004/2005		20050054	1,500
2005/2006		20060110	136
Maternal and Child Health Services Block Grant:	93.994		
Local Maternal and Child Health:			
2004/2005		20050054	48,548
2005/2006		20060110	16,182
Family Planning/Pregnancy Prevention:			
2004/2005		20050054	51,109
2005/2006		20060110	4,199
CSHCS Case Management Services:			
2004/2005		20050054	9,193
2005/2006		20060110	2,923
Total U.S. Department of Health and Human Services			<u>3,588,896</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed-through Michigan Department of State Police:			
State Domestic Preparedness Equipment Support Program:	97.004		
Critical Infrastructure Security		-n/a-	9,777
Critical Infrastructure Security part II		-n/a-	4,761
2004 State Homeland Security Program		-n/a-	82,419
2003 State Homeland Security Program		-n/a-	13,829
2003 State Homeland Security Program REP award		-n/a-	7,091
2003 SHSGP Part II Training Grant Funds		-n/a-	3,527
2003 SHSGP Part II Solution Area Planner		-n/a-	9,556
Emergency Management Performance Grants	97.042	-n/a-	197
Emergency Management Performance Grants	97.067	-n/a-	27,492
Total U.S. Department of Homeland Security			<u>158,649</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 5,528,040</u>

The accompanying notes are an integral part of this schedule

COUNTY OF MONROE, MICHIGAN

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the County of Monroe, Michigan (the "County") and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The County of Monroe, Michigan's reporting entity is defined in Note A of the County's financial statements. The County of Monroe, Michigan's financial statements include the operations of the Monroe Community Mental Health Authority and Monroe County Agency discretely presented component units, which received federal awards of \$474,556 and \$35,917, respectively, that are not included in the Schedule for the year ended December 31, 2005. Our audit did not include the operations of the Monroe County Community Mental Health Authority or Monroe County Agency discretely presented component units because those entities engaged other auditors to perform audits in accordance with OMB Circular A-133, as applicable in the circumstances.

* * * * *



REHMANN ROBSON

Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

March 16, 2006

To the Board of Commissioners
of the County of Monroe
Monroe, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the ***County of Monroe, Michigan***, as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated March 16, 2006. We did not audit the financial statements of the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency that collectively represent 89.2% of the assets and 94.2% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Monroe County Road Commission and Monroe County Library were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our report and the reports of other auditors noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests and the reports of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Lehmann Johnson", is positioned in the lower right area of the page.



REHMANN ROBSON

Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

March 21, 2006

To the Board of Commissioners
of the County of Monroe
Monroe, Michigan

Compliance

We have audited the compliance of the ***County of Monroe, Michigan*** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of County management. Our responsibility is to express an opinion on the County's compliance based on our audit.

The reporting entity is defined in Note A of the County's financial statements. The County's financial statements include the operations of the Monroe County Community Mental Health Authority and Monroe County Agency discretely presented component units, which received federal awards of \$474,556 and \$35,917, respectively, that are not included in the Schedule for the year ended December 31, 2005. Our audit, as described below, did not include the operations of the Monroe County Community Mental Health Authority or Monroe County Agency discretely presented component units because those entities engaged other auditors to perform audits in accordance with OMB Circular A-133, as applicable in the circumstances.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County of Monroe, Michigan complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grant agreements caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our report and the reports of other auditors noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Monroe, Michigan as of and for the year ended December 31, 2005, and have issued our report thereon dated March 16, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County of Monroe, Michigan's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We did not audit the financial statements of the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency that collectively represent 89.2% of the assets and 94.2% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports were furnished to us, and our opinion, insofar as it relates to the amounts included for the Monroe County Road Commission, Monroe County Community Mental Health Authority, Monroe County Library and Monroe County Agency, is based solely on the reports of the other auditors.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, reading "Lehmann Lobson". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

COUNTY OF MONROE, MICHIGAN

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Noncompliance material to financial statements
noted?

_____ yes X no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?

_____ yes X no

Reportable condition(s) identified
not considered to be material weaknesses?

_____ yes X none reported

Type of auditors' report issued on compliance
for major programs:

Unqualified

Any audit findings disclosed that are required
to be reported in accordance with
Circular A-133, Section 510(a)?

_____ yes X no

COUNTY OF MONROE, MICHIGAN
Schedule of Findings and Questioned Costs (Concluded)
For the Year Ended December 31, 2005

SECTION I - SUMMARY OF AUDITORS' RESULTS (Concluded)

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Women, Infants and Children
17.258, 17.260	Workforce Investment Act Cluster
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> yes <u> </u> no

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

SECTION IV – PRIOR YEAR FEDERAL AWARD FINDINGS

No matters were reported.

* * * * *



REHMANN ROBSON

Certified Public Accountants

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March 16, 2006

To the Board of Commissioners of the
Monroe County
Monroe, Michigan

We have audited the financial statements of Monroe County for the year ended December 31, 2005, and have issued our report thereon dated March 16, 2006. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated February 20, 2006, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

In planning and performing our audit, we considered Monroe County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Monroe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Monroe County's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Monroe County's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Monroe County's compliance with those requirements.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application. The significant accounting policies used by Monroe County are described in Note 1 to the financial statements.

As reflected in note D to the financial statements and the statistical section of the report, in 2005 the County adopted Statements of Governmental Accounting Standards (GASB Statements) No. 40, *Deposit and Investment Risk Disclosures*, and No. 44, *Economic Condition Reporting: The Statistical Section*. The effect of implementing these new standards did not result in the restatement of beginning net assets/fund balances.

We noted no transactions entered into by Monroe County during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives of depreciable fixed assets is based on the length of time it is believed that those assets will provide some economic benefit in the future. We evaluated the key factors and assumptions used to develop the useful lives of those assets in determining that they are reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the liability for uninsured risks of loss, including incurred but not reported claims, which are accounted for in certain of the County's internal service funds and for which the County utilizes the services of an independent third-party risk management consultant to estimate the liability. We relied upon the work of the third-party expert in determining that the liability is reasonable in relation to the financial statements taken as a whole.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on Monroe County's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by Monroe County, either individually or in the aggregate, indicate matters that could have a significant effect on Monroe County's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Monroe County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

This letter is intended for the use of the Board of Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lehmann Johnson", is positioned below the "Very truly yours," text.